# Northern Pacific Railway Company. Engineering Department Records.

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Version 3
August 20, 2018

N. P. 1757
6-24

OFFICE OF Chief Engineer

FILE NO. 8731.C-1

SUBJECT:

Coulee Dam
Line.
Contract with Government

TO: 11-19-43

See also 8731-General

8731.C

87 31

C-1

Grand Coulee Dam Line

Copies of Contracts as executed

Concerning construction and

operation.

8731

C

Contractor

Symbol Ilr-804

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington
--

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by Harold L. Ickes, Secretary of the Interior (herein styled the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto

attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

12. The following maximum rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government

bills-of-lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the established commercial freight rates applicable from Portland, Oregon, over existing routes, less land-grant deduction, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 18¢ |
| From Coeur d'Alene, Idaho, | 14¢ |
| From Spokane, Washington, | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. The United States having heretofore under date of July 16, 1934, entered into a contract

(Symbol No. I2r-4359) with Silas Mason Company, Inc., a New York corporation, the Walsh Construction Company, an Iowa corporation, and the Atkinson-Kier Company, a partnership consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier and Elmer L. Kier of San Francisco, California (for convenience now styled collectively the Contractor), wherein it is provided in paragraph 51 of Specifications No. 570, made a part of the said contract, that the Contractor will operate and maintain the railroad after its completion, the Contractor will be required to provide reasonable service thereunder for handling the business of the United States and others during the period of the said contract.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yards as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in

the possession of the United States, but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, R. I. Jones, Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear excepted.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. The Contractor for operation of the railroad, as referred to in Article 13, shall furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen per cent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit

that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA, 7-17-35

By Harold L. Ickes
Secretary of the Interior.

(SEAL) Attest:

Geo. J. Mschaled

NORTHERN PACIFIC RAILWAY COMPANY,

By Charles Donnelly

Title _____

- - -

01-248

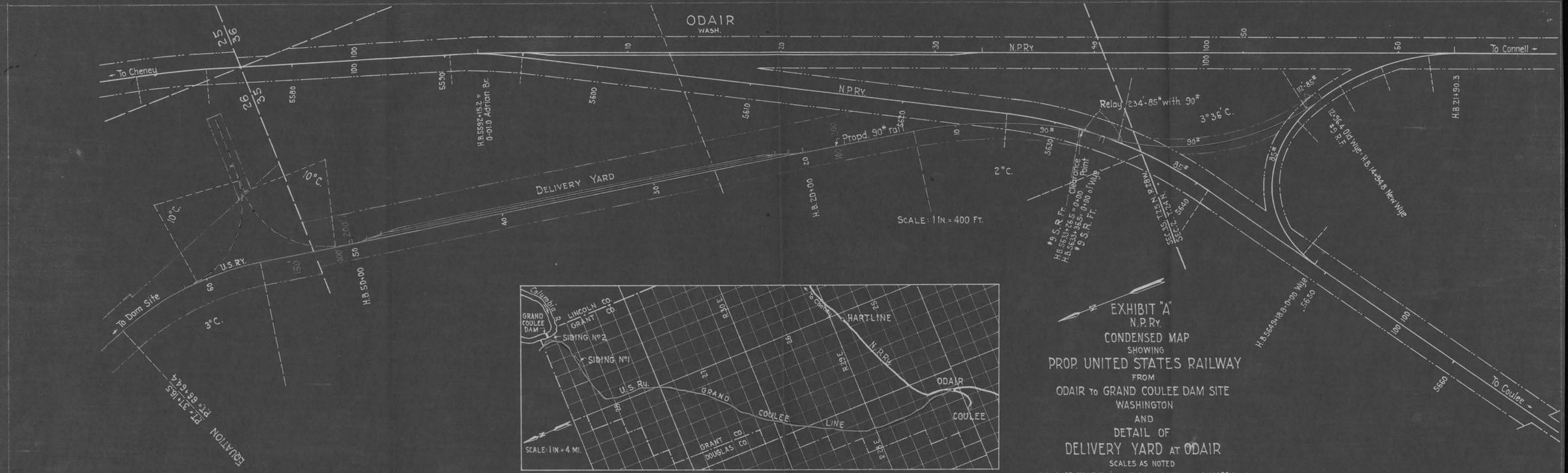



EXHIBIT "A"
N.P.Ry.
CONDENSED MAP
SHOWING
PROP. UNITED STATES RAILWAY
FROM
ODAIR TO GRAND COULEE DAM SITE
WASHINGTON
AND
DETAIL OF
DELIVERY YARD AT ODAIR
SCALES AS NOTED
OFFICE OF CHIEF ENGR. ST. PAUL, MINN. JULY 28, 1934.
Tracks to be constructed by United States shown ——

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, A M Bothwell, certify that I am the Assistant Secretary of the corporation named as Company herein; that Charles Donnelly, who signed this contract on behalf of said Company, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL)

A M Bothwell

Contractor N. P. Ry. Co. Ilr-5033.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

Contract between United States of America, Northern Pacific Railway Company, Silas Mason Company, Inc., Walsh Construction Company, and Atkinson-Kier Company, in the matter of the use, operation and maintenance of the construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This Contract Made this 19th day of November, 1934, in pursuance of the Act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA (herein styled the United States), represented by the contracting officer executing this contract; the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation (herein styled the Company), having its principal place of business at St. Paul, Minnesota; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California (herein styled collectively the Contractor), having its and their principal places of business at New York, New York, Davenport, Iowa, and San Francisco, California, respectively (with a joint office at Spokane, Washington).

WITNESSETH:

2. WHEREAS, the United States and the Company, under date of November 19, 1934 (Symbol-No. Ilr-804), entered into a contract covering the construction, maintenance, and operation of a construction railroad from Odair, Washington, a station on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City,

Washington, for the purpose of transporting construction materials to the dam site, a copy of said contract being attached hereto, marked Exhibit A, and made a part hereof; and

3. WHEREAS, it is provided in paragraph 51 of Specifications No. 570, made a part of contract dated July 16, 1934, with the Contractor (Symbol-No. 12r-4359), that the Contractor will operate and maintain the railroad after its completion; and

4. WHEREAS, as a condition to such operation and maintenance of the railroad by the Contractor, it is required that the Contractor shall, among other things, agree, in writing, with the United States and the Company to observe the terms and conditions of the said contract dated November 19, 1934, as there made applicable to the use, operation and maintenance of the railroad.

5. NOW, THEREFORE, In consideration of the promises and the covenants and conditions herein contained, it is agreed between the parties as follows:

6. The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of said contract dated November 19, 1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof in the place and stead of the United States, and the Contractor shall indemnify the Company from any and all claims or demands for injuries to or death of any and all persons whomsoever and for damage to property caused, or alleged to have been caused, by defects in cars and equipment owned by the Company, and cars and equipment of others for which the Company is responsible, irrespective of the cause of such defects.

7. The Company will recognize the Contractor in the place and stead of the United States as solely liable to the Company (a) in the use, operation and maintenance of the railroad and (b) for any breach of the obligations undertaken by the United States under Articles 13 to 19, inclusive, of

the said contract dated November 19, 1934; provided, that should the Contractor during the continuance of the said contract dated July 16, 1934, fail or refuse to carry out the obligations so assumed, the United States shall reassume such obligations upon notice in writing from the Company.

8. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,
By _____
Acting Chief Engineer,
Bureau of Reclamation.
JUN 25 1935

(SEAL) Attest:
_____
Secretary.

NORTHERN PACIFIC RAILWAY COMPANY,
By _____
Title _____

(SEAL) Attest:
_____
Asst Secretary.

SILAS MASON COMPANY, INC.
By _____
Title _____

(SEAL) Attest:
_____
Secretary.

WALSH CONSTRUCTION COMPANY,
By _____
Title _____

Witness:
_____

ATKINSON-KIER COMPANY,
By _____
Member of Firm.

Approved:
_____
Commissioner, Bureau of Reclamation.

GLENS FALLS INDEMNITY COMPANY,

(SEAL) By _____

Title R.J. MAC CANN - ATTORNEY

GLOBE INDEMNITY COMPANY,

(SEAL) By _____ H. RANKIN
ATTORNEY-IN-FACT

Title _____ A.C. HOFFMAN

GREAT AMERICAN INDEMNITY COMPANY,

(SEAL) By _____
Edward C. Lunt

Title _____ VICE-PRESIDENT
Geo. A. Peterson ASSISTANT SECRETARY

HARTFORD ACCIDENT AND INDEMNITY COMPANY,

(SEAL) By _____

Title _____ J. J. O'LOUGHLIN RESIDENT VICE-PRESIDENT
S. CAPOTOSTO RESIDENT ASST. SECRETARY

MARYLAND CASUALTY COMPANY,

(SEAL) By _____
ATTORNEY IN FACT James J. Lucy

Title _____

MASSACHUSETTS BONDING AND INSURANCE COMPANY,

(SEAL) By _____
FREDERICK O. SEATTIE, Attorney-in-Fact

Title _____
VAN WHITE, Attorney-in-Fact

NATIONAL SURETY CORPORATION,

(SEAL) By _____

Title _____

Attest _____

CERTIFICATE AS TO EXECUTION BY
WALSH CONSTRUCTION COMPANY

I, _____, certify that I am the _____ Secretary of one of the corporations named collectively as Contractor herein; that _____, who signed this contract in behalf of said Contractor, was then _____, of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL) _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

ASSENT OF SURETY

Know All Men By These Presents, That we, THE AETNA CASUALTY AND SURETY COMPANY, a Connecticut corporation; AMERICAN SURETY COMPANY OF NEW YORK, a New York corporation; COLUMBIA CASUALTY COMPANY, a New York corporation; CONTINENTAL CASUALTY COMPANY, an Indiana corporation; THE FIDELITY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Maryland corporation; FIREMAN'S FUND INDEMNITY COMPANY, a California corporation; GENERAL CASUALTY COMPANY OF AMERICA, a Washington corporation; GLENS FALLS INDEMNITY COMPANY, a New York corporation; GLOBE INDEMNITY COMPANY, a New York corporation; GREAT AMERICAN INDEMNITY COMPANY, a New York corporation; HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut corporation; MARYLAND CASUALTY COMPANY, a Maryland corporation; MASSACHUSETTS BONDING AND INSURANCE COMPANY, a Massachusetts corporation; NATIONAL SURETY CORPORATION, a New York corporation; NEW AMSTERDAM CASUALTY COMPANY, a New York corporation; NEW YORK CASUALTY COMPANY, a New York corporation; PACIFIC INDEMNITY COMPANY, a California corporation; ROYAL INDEMNITY COMPANY, a New York corporation; STANDARD ACCIDENT INSURANCE COMPANY, a Michigan corporation; STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; and UNITED STATES FIDELITY AND GUARANTY COMPANY, a Maryland corporation, as sureties on the performance bond dated the fourteenth day of September, 1934, given to THE UNITED STATES OF AMERICA by the SILAS MASON COMPANY, INC., a New York corporation; the WALSH CONSTRUCTION COMPANY, an Iowa corporation; and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson,

George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California; jointly and severally as principal, under that certain contract dated the 16th day of July, 1934 (Symbol-No. 4359), for construction of the Grand Coulee Dam and Power Plant, Columbia Basin Project, Washington, do hereby assent to that certain contract entered into the 19th day of November, 1934 (Symbol-No. Ir 5053), between THE UNITED STATES OF AMERICA, the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California, in the matter of the use, operation and maintenance by the SILAS MASON COMPANY, INC., the WALSH CONSTRUCTION COMPANY, and the ATKINSON-KIER COMPANY, of the construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as more particularly set out in said contract.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this 17 day of [illegible], 1934, the name and corporate seal of each party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

THE AETNA CASUALTY AND SURETY COMPANY,

(SEAL)

By [illegible]

Title ATTORNEY-IN-FACT

- 2 -

AMERICAN SURETY COMPANY OF NEW YORK,

(SEAL) By _____

Title E. F. Watson, Vice President

Attest: H. H. Simpson, Assistant Secretary.

COLUMBIA CASUALTY COMPANY,

(SEAL) By _____
W.E. SNYDER

Title _____

CONTINENTAL CASUALTY COMPANY,

(SEAL) By _____
R.C. FIELDSMITH

Title Attorney-in-fact

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK,

(SEAL) By _____

Title C. P. Godley Vice President
(C. P. Godley)

FIDELITY AND DEPOSIT COMPANY OF MARYLAND,

(SEAL) By _____
JOHN T. MASSLER JR. Attorney in fact.

Attest: _____
John E. M. Bailey

FIREMAN'S FUND INDEMNITY COMPANY,

(SEAL) By _____

Title H. Edmonds

GENERAL CASUALTY COMPANY OF AMERICA,

(SEAL) By _____
ROBT. B. EMSLIE

Title Attorney-in-Fact.

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, A M Bottcher, certify that I am the Assistant Secretary of the corporation named as Company herein; that Charles Donnelly, who signed this contract on behalf of said Company, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL) E W J Michaels

- -

CERTIFICATE AS TO EXECUTION BY
SILAS MASON COMPANY, INC.

I, A K Young Jr, certify that I am the Assistant Secretary of one of the corporations named collectively as Contractor herein; that John J Watts, who signed this contract in behalf of said Contractor, was then Vice President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL) A K Young Jr

- -

NEW AMSTERDAM CASUALTY COMPANY,

(SEAL) By S. L. Dunseath

Attest Title S. L. DUNSEATH VICE PRESIDENT

WM. W. LAPORTE ASSISTANT SECRETARY

NEW YORK CASUALTY COMPANY,

(SEAL) By E. F. Watson

E. F. WATSON VICE-PRESIDENT

Title

ATTEST H. H. SIMPSON ASST. SECRETARY

PACIFIC INDEMNITY COMPANY,

By

FREDERICK C. BENTLEY

Title Attorney-in-Fact

ROYAL INDEMNITY COMPANY

AUGUST

(SEAL) By

Title J.P.HUNTTING

STANDARD ACCIDENT INSURANCE COMPANY,

(SEAL) By

Title WELLES L. ALLEN

W. B. FORRESTER ASSISTANT SECRETARY

STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK,

(SEAL) By

Title

UNITED STATES FIDELITY AND GUARANTY COMPANY,

(SEAL) By

PHILIP CATTER

Title ATTORNEY-IN-FACT

ATTEST: S. Frank Hedges ATTORNEY-IN-FACT

S. Frank Hedges

Exhibit A.

Symbol No. Ilr-504

~~Ilr-4550~~.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington
--

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by Harold L. Ickes, Secretary of the Interior (herein styled the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto

attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

12. The following maximum rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government

bills-of-lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the established commercial freight rates applicable from Portland, Oregon, over existing routes, less land-grant deduction, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 18¢ |
| From Coeur d'Alene, Idaho, | 14¢ |
| From Spokane, Washington, | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. The United States having heretofore under date of July 16, 1934, entered into a contract

(Symbol No. I2r-4359) with Silas Mason Company, Inc., a New York corporation, the Walsh Construction Company, an Iowa corporation, and the Atkinson-Kier Company, a partnership consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier and Elmer L. Kier of San Francisco, California (for convenience now styled collectively the Contractor), wherein it is provided in paragraph 51 of Specifications No. 570, made a part of the said contract, that the Contractor will operate and maintain the railroad after its completion, the Contractor will be required to provide reasonable service thereunder for handling the business of the United States and others during the period of the said contract.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in

the possession of the United States, but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B. T. Jones, Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear excepted.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. The Contractor for operation of the railroad, as referred to in Article 13, shall furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen per cent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit

that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

7-17-35

By Harold L. Ickes

(Seal) Secretary of the Interior.

REP
EM

WBR JHT
TAW

(SEAL) Attest:

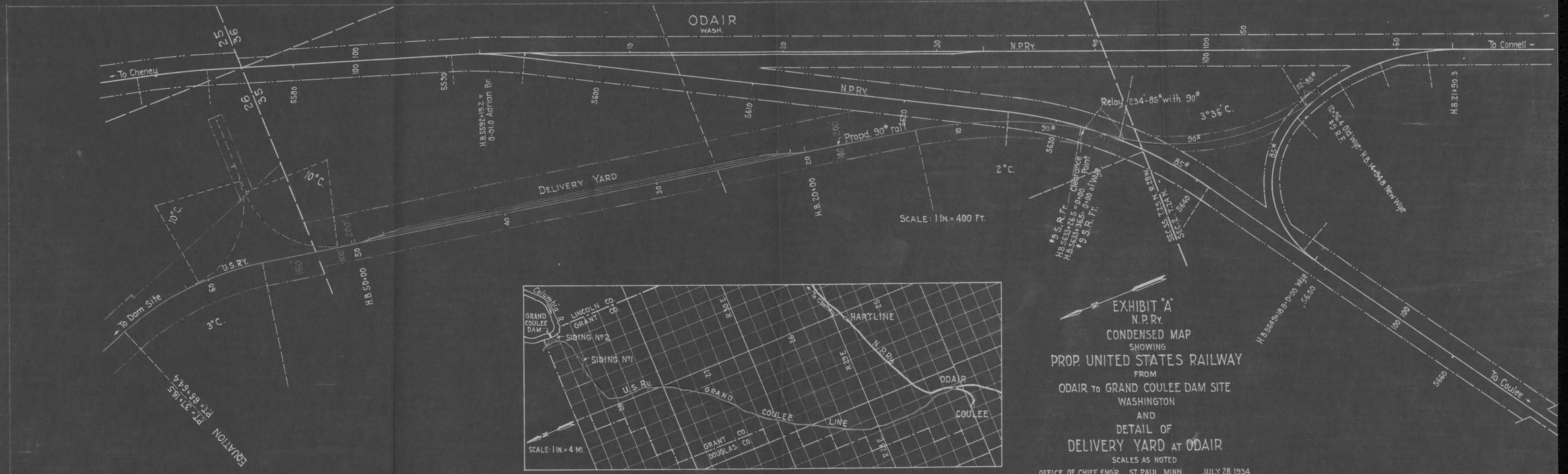
NORTHERN PACIFIC RAILWAY COMPANY,

A. L. Gottschald.
Assistant Secretary

By Charles Donnelly.

Title President.

- - -




# EXHIBIT "A"

N.P.Ry.

CONDENSED MAP
SHOWING
PROP. UNITED STATES RAILWAY
FROM
ODAIR to GRAND COULEE DAM SITE
WASHINGTON
AND
DETAIL OF
DELIVERY YARD AT ODAIR
SCALES AS NOTED

OFFICE OF CHIEF ENGR. ST. PAUL, MINN. JULY 28, 1934.

Tracks to be constructed by United States shown ——

01-248

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, A. M. Gottschold, certify that I am the Assistant Secretary of the corporation named as Company herein; that Charles Donnelly, who signed this contract on behalf of said Company, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL)

A. M. Gottschold

8731

C

8731 "b"

Void

Grand Coulee Dam Line

Copies of Contract as submitted

by U.S. Govt. for execution

Nov 20th 1934

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

--

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____, Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto

attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

12. The following maximum net cash freight rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain

points, as herein listed, in the State of Washington to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 18¢ |
| From Coeur d'Alene, Idaho, | 14¢ |
| From Spokane, Washington, | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. No demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the

Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B. T. Jones, Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear excepted.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. If operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the United States agrees that in any contract it may enter into for the operation of the railroad hereinbefore mentioned, it will insert in said contract a provision requiring the Contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen per cent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit

that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Federal Emergency Administrator
of Public Works and Secretary
of the Interior.

(SEAL) Attest:

_____
Secretary.

NORTHERN PACIFIC RAILWAY COMPANY

By _____

Title _____

- - -

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington
--

Contract between United States of America, Northern Pacific Railway Company, Silas Mason Company, Inc., Walsh Construction Company, and Atkinson-Kier Company, in the matter of the use, operation and maintenance of the construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

This Contract Made this 19th day of November, 1934, in pursuance of the Act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA (herein styled the United States), represented by the contracting officer executing this contract; the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation (herein styled the Company), having its principal place of business at St. Paul, Minnesota; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California (herein styled collectively the Contractor), having its and their principal places of business at New York, New York, Davenport, Iowa, and San Francisco, California, respectively (with a joint office at Spokane, Washington).

WITNESSETH:

2. WHEREAS, the United States and the Company, under date of November 19, 1934 (Symbol-No. I2r-4530), entered into a contract covering the construction, maintenance, and operation of a construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City,

Washington, for the purpose of transporting construction materials to the dam site, a copy of said contract being attached hereto, marked Exhibit A, and made a part hereof; and

3. WHEREAS, it is provided in paragraph 51 of Specifications No. 570, made a part of contract dated July 16, 1934, with the Contractor (Symbol-No. I2r-4359), that the Contractor will operate and maintain the railroad after its completion; and

4. WHEREAS, as a condition to such operation and maintenance of the railroad by the Contractor, it is required that the Contractor shall, among other things, agree, in writing, with the United States and the Company to observe the terms and conditions of the said contract dated November 19, 1934, as there made applicable to the use, operation and maintenance of the railroad.

5. NOW, THEREFORE, In consideration of the premises and the covenants and conditions herein contained, it is agreed between the parties as follows:

6. The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of the said contract dated November 19, 1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof in the place and stead of the United States.

7. The Company will recognize the Contractor in the place and stead of the United States as solely liable to the Company (a) in the use, operation and maintenance of the railroad and (b) for any breach of the obligations undertaken by the United States under Articles 13 to 19, inclusive, of the said contract dated November 19, 1934; provided, that should the Contractor during the continuance of the said contract dated July 16, 1934, fail or refuse to carry out the obligations so assumed, the United States shall reassume such obligations upon notice in writing from the Company.

8. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____,
Chief Engineer,
Bureau of Reclamation.

(SEAL) Attest:

_____
Secretary.

NORTHERN PACIFIC RAILWAY COMPANY,

By _____,

Title _____,

(SEAL) Attest:

_____
Secretary.

SILAS MASON COMPANY, INC.,

By _____,

Title _____.

(SEAL) Attest:

_____
Secretary.

WALSH CONSTRUCTION COMPANY,

By _____,

Title _____.

Witness:

_____

ATKINSON-KIER COMPANY,

By _____.
Member of Firm.

- - -

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, _____, certify that I am the _____ Secretary of the corporation named as Company herein; that _____, who signed this contract on behalf of said Company, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL) _____

- -

CERTIFICATE AS TO EXECUTION BY
SILAS MASON COMPANY, INC.

I, _____, certify that I am the _____ Secretary of one of the corporations named collectively as Contractor herein; that _____, who signed this contract in behalf of said Contractor, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL) _____

- -

CERTIFICATE AS TO EXECUTION BY
WALSH CONSTRUCTION COMPANY

I, _____, certify that I am the _____ Secretary of one of the corporations named collectively as Contractor herein; that _____, who signed this contract in behalf of said Contractor, was then _____, of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL)

_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

ASSENT OF SURETY

Know All Men By These Presents, That we, THE AETNA CASUALTY AND SURETY COMPANY, a Connecticut corporation; AMERICAN SURETY COMPANY OF NEW YORK, a New York corporation; COLUMBIA CASUALTY COMPANY, a New York corporation; CONTINENTAL CASUALTY COMPANY, an Indiana corporation; THE FIDELITY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Maryland corporation; FIREMAN'S FUND INDEMNITY COMPANY, a California corporation; GENERAL CASUALTY COMPANY OF AMERICA, a Washington corporation; GLENS FALLS INDEMNITY COMPANY, a New York corporation; GLOBE INDEMNITY COMPANY, a New York corporation; GREAT AMERICAN INDEMNITY COMPANY, a New York corporation; HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut corporation; MARYLAND CASUALTY COMPANY, a Maryland corporation; MASSACHUSETTS BONDING AND INSURANCE COMPANY, a Massachusetts corporation; NATIONAL SURETY CORPORATION, a New York corporation; NEW AMSTERDAM CASUALTY COMPANY, a New York corporation; NEW YORK CASUALTY COMPANY, a New York corporation; PACIFIC INDEMNITY COMPANY, a California corporation; ROYAL INDEMNITY COMPANY, a New York corporation; STANDARD ACCIDENT INSURANCE COMPANY, a Michigan corporation; STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; and UNITED STATES FIDELITY AND GUARANTY COMPANY, a Maryland corporation, as sureties on the performance bond dated the fourteenth day of September, 1934, given to THE UNITED STATES OF AMERICA by the SILAS MASON COMPANY, INC., a New York corporation; the WALSH CONSTRUCTION COMPANY, an Iowa corporation; and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson,

George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California; jointly and severally as principal, under that certain contract dated the 16th day of July, 1934 (Symbol-No. 4359), for construction of the Grand Coulee Dam and Power Plant, Columbia Basin Project, Washington, do hereby assent to that certain contract entered into the 19th day of November, 1934 (Symbol-No. I2r-4530), between THE UNITED STATES OF AMERICA, the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California, in the matter of the use, operation and maintenance by the SILAS MASON COMPANY, INC., the WALSH CONSTRUCTION COMPANY, and the ATKINSON-KIER COMPANY, of the construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as more particularly set out in said contract.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this  day of , 1934, the name and corporate seal of each party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

THE AETNA CASUALTY AND SURETY COMPANY,

(SEAL) By _____,

Title _____.

AMERICAN SURETY COMPANY OF NEW YORK,

(SEAL) By _____

Title _____

COLUMBIA CASUALTY COMPANY,

(SEAL) By _____

Title _____

CONTINENTAL CASUALTY COMPANY,

(SEAL) By _____

Title _____

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK,

(SEAL) By _____

Title _____

FIDELITY AND DEPOSIT COMPANY OF MARYLAND,

(SEAL) By _____

Title _____

FIREMAN'S FUND INDEMNITY COMPANY,

(SEAL) By _____

Title _____

GENERAL CASUALTY COMPANY OF AMERICA,

(SEAL) By _____

Title _____

NEW AMSTERDAM CASUALTY COMPANY,

(SEAL) By _____

Title _____

NEW YORK CASUALTY COMPANY,

(SEAL) By _____

Title _____

PACIFIC INDEMNITY COMPANY,

(SEAL) By _____

Title _____

ROYAL INDEMNITY COMPANY,

(SEAL) By _____

Title _____

STANDARD ACCIDENT INSURANCE COMPANY,

(SEAL) By _____

Title _____

STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK,

(SEAL) By _____

Title _____

UNITED STATES FIDELITY AND GUARANTY COMPANY,

(SEAL) By _____

Title _____

GLENS FALLS INDEMNITY COMPANY,

(SEAL) By _____

Title _____

GLOBE INDEMNITY COMPANY,

(SEAL) By _____

Title _____

GREAT AMERICAN INDEMNITY COMPANY,

(SEAL) By _____

Title _____

HARTFORD ACCIDENT AND INDEMNITY COMPANY,

(SEAL) By _____

Title _____

MARYLAND CASUALTY COMPANY,

(SEAL) By _____

Title _____

MASSACHUSETTS BONDING AND INSURANCE COMPANY,

(SEAL) By _____

Title _____

NATIONAL SURETY CORPORATION,

(SEAL) By _____

Title _____

87 31 "b"

873.1C

November 19th, 1943.

Mr. F. A. Banks,
Supervising Engineer,
United States,
Department of the Interior,
Bureau of Reclamation,
Coulee Dam, Washington.

Dear Sir:-

Referring to your letter of November 13th, 1943, addressed to Mr. Derrig tracing for reply to your letter of June 2nd, 1943 in connection with track material turned over to the Government for use in constructing a railroad from Odair, Washington to Grand Coulee Dam site. We have no record of receiving your letter, not accounted for to date.

I enclose herewith statement showing material furnished at the dam under contract dated November 19th, 1934.

Yours truly,

(sgd) Bernard Blum

JHR-RWM
Enc.

CHIEF ENGINEER.

Statement showing material furnished at Coulee Dam, under contract dated November 19, 1934, with U.S. Government, not accounted for to date.

| | | | | |
|---|---|---|---|---|
| 365,716.2 | L.F. | 3/90# rail | 4897.9848 | G.T. |
| 186 | " | 3/85# " | 2.3527 | " |
| 1,316 | " | 3/72# " | 14.1 | " |
| 12,130 | Prs. | 90# angle bars | 653,736 | # |
| 10 | " | 85# " " | 490# | |
| 72 | " | 72# " " | 2,592# | |
| 5,564 | Pcs. | 7x9 - 90# tie plates | | |
| 16,000 | " | 6x8½ - 90# " " | | |
| 658 | " | 7⅛x10-3/4 " " | | |
| 5,342 | " | New lundie " " | | |
| 879 | " | 72# tie plates | | |
| 4 | - | #9 S.R. 90# frogs | | |
| 6 | - | #11 S.R. 90# " | | |
| 17 | - | split switches 90# 16½' | | |
| 1 | - | " " 85# 15' | | |
| 10 | - | guard rails 90# 8½' | | |
| 8 | - | " " 90# plain T-15-3 | | |
| 1 | - | " " 85# 8½' | | |
| 1 | - | " " clamp | | |
| 20 | - | Base plates for guard rail | | |
| 10 | - | Comp. joints 85-90# | | |
| 11 | - | H.B. switch stands | | |
| 6 | - | Economy " " | | |
| 16 | - | Connecting rods | | |
| 2 | - | Non-insl. tie rods | | |
| 10 | - | Sw. lamps | | |
| 10 | - | " locks | | |
| 720 | - | Pcs. 90# track bolts | | |

Auditor Disbursements
November 19, 1943

[redacted]

Answer with 3 copies of Statement requested by Mr Rockwell.

JW 11/19

Statement showing material furnished at Coulee Dam, under contract dated November 19, 1934, with U.S. Government, not accounted for to date.

| | | | | |
|---|---|---|---|---|
| 365.716.2 | L.F. | 3/90# rail | 4897.9848 | G.T. |
| 186 | " | 3/85# " | 2.3527 | " |
| 1,316 | " | 3/72# " | 14.1 | " |
| 12,130 | Prs. | 90# angle bars | 653,736 # | |
| 10 | " | 85# " " | 490# | |
| 72 | " | 72# " " | 2,592# | |
| 5,564 | Pcs. | 7x9 - 90# tie plates | | |
| 16,000 | " | 6x8½- 90# " " | | |
| 658 | " | 7½x10-3/4 " " | | |
| 5,342 | " | New Lundie " " | | |
| 879 | " | 72# tie plates | | |
| 4 | - | #9 S.R. 90# frogs | | |
| 6 | - | #11 S.R.90# " | | |
| 17 | - | split switches 90# 16½' | | |
| 1 | - | " " 85# 15' | | |
| 10 | - | guard rails 90# 8½' | | |
| 8 | - | " " 90# plain T-15-3 | | |
| 1 | - | " " 85# 8½' | | |
| 1 | - | " " clamp | | |
| 20 | - | Base plates for guard rail | | |
| 10 | - | Comp. joints 85-90# | | |
| 11 | - | H.B. switch stands | | |
| 6 | - | Economy " " | | |
| 16 | - | Connecting rods | | |
| 2 | - | Non-insl. tie rods | | |
| 10 | - | Sw. lamps | | |
| 10 | - | " locks | | |
| 720 | - | Pcs. 90# track bolts | | |

Auditor Disbursements
November 19, 1943

~~8935~~ 9222

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
COULEE DAM, WASHINGTON

November 13, 1943

Mr. J. T. Derrig
Assistant to Chief Engineer
Northern Pacific Railway Company
Saint Paul, Minnesota

Dear Mr. Derrig:

no record

On June 2nd, 1943 we wrote you as follows:

"Reference is made to Contract No. Ilr-804, dated November 19, 1934, between the Northern Pacific Railway Company and the United States, covering, among other stipulations, the construction of a standard guage railroad from Odair, Washington to the Grand Coulee Dam site.

With respect to Article 8 of this contract wherein the railway company furnished S.H. 90# rail, angle bars, frogs, switches, and the tie plates for certain trackage, will you kindly furnish us a statement in detail showing the materials that are now charged against this contract on your records."

cont No. 11

Inasmuch as we have not been favored with a reply to our request it is thought our letter may have gone astray or escaped your attention. Will you kindly furnish us, at your convenience, with the information requested or advise.

Very truly yours,

F. A. Banks,
Supervising Engineer

N. P. Charges Dereliction of Duty
Bill Fo[illegible]

against

BERNARD BLUM,
CHIEF ENGINEER.

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8731-C M.

[redacted]

Saint Paul, March 26, 1943 H M Tremaine - Spokane

A-28 ICC cost of reproduction new for line Odair to Adrian $804,796. B-264

B. Blum

cy HMStout

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

[redacted]

Saint Paul, March 26,1943 H M Tremaine - Spokane

A-28 Our construction book record shows original cost of line Odair to Adrian at $512,654. A&B from 1903 to June 30, 1917 were $15,946. Total cost to valuation date $528,600. B-263

B. Blum

x

cy HMStout

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

64 SFK

SPOKANE MARCH 26 1943 B BLUM

ST PAUL

B 261 BOTH A 30

H M T 951 AM

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Saint Paul, March 26, 1943 H M Tremaine - Spokane

A-28 Line Odair to Adrian was completed September 20, 1903 and record shows taken over and put into operation December 1, 1903. In interim might have been operated by Engineering Dept.

Connell to Adco completed and put into operation November 1, 1910.

Washington Central put into operation as follows:
Cheney to Davenport July 1, 1889
Davenport to Almira June 14, 1890
Almira to Coulee City November 1, 1890.

Will advise valuation figures later. B-262
cy HMStout

B. Blum

| | Constr. began. | Completed. | Operation began. |
|---|---|---|---|
| Okair (formerly Conley Jct.) to Adrian. | 11-5-02. | 4-20-03 | 12-1-03 |
| Connell to Adco. | 6-25-09. | 11-1-10. | 11-1-10. |

Wash. Central Branch placed in operation —

| | |
|---|---|
| Cheney to Davenport. | 7-1-89. |
| Davenport to Almira | 6-14-90. |
| Almira to Conley City | 11-1-90. |

7126.

Trk. 8-14-

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

[redacted] Saint Paul, March 26,1943 H M Tremaine - Spokane

A-28 For line between Odair and Adrian do you want original cost at time of completion or original cost plus A&B as of valuation date. B-261

B. Blum

x cy HMStout

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

330SFV

SPOKANE MCH 25-43 B.BLUM ST.PAUL

COUNTRY MAN HAS ASKED THAT I TESTIFY TO THE ORIGINAL COST AND THE COST OF REPRODUCTION NEW OF THE LINE BETWEEN ODAIR AND ADRIAN AS SHOWN IN THE ICC VALUATION REPORT AS OF VALUATION DATE. ALSO DATES THAT THE LINES ODAIR TO ADRIAN was built AND THE CONNELL NORTHERN FROM CONNELL TO ADCO JCT was built AND THE WASHINGTON CENTRAL BRANCH was WERE PLACED IN OPERATION. WILL YOU WIRE ME THOSE FIGURES IN TIME FOR ME TO TESTIFY AT TEN AM FRIDAY A-28.

H.M.TREMAINE....857PMV

Saint Paul, July 15,1941

MR. H. B. STEVENS:

Under date of July 10 Supervising Engineer F. A. Banks at Grand Coulee Dam wrote requesting 1100 tie plates for completion of spur track to the power house, explaining that they were required because of the sharp curvature; and reference was made to exchange of correspondence in 1939 relative to provisions of arts. 5 and 11 of contract of Nov. 19, 1934.

It was agreed that we could furnish plates, and as the 1934 contract is still in effect there seems to be no reason why we should not furnish.

Accordingly I am submitting requisition ED-623 to cover.

bb/s

cc-Mr. F. C. Turner
Mr. F. Brastrup
Mr. H. G. Hanson

ED# 627

St. Paul, Minn. July 14 41

N. P. Ry. Co.
Fred Brastrup, Supt. (Notify F. A. Banks, Supervising Engr.) Odair, Wash.

1100 SH 90# tie plates, 6 x 8½ or 7 x 9

EARLY DELIVERY

For Grand Coulee Dam project. In Accordance with terms of contract betw. United States of America and N.P. dated Nov. 19, 1934 Articles 5 and 11.

Cy - F. Brastrup - H. C. Hanson

Chief Engineer Asst. Chief Engineer

N.P.R.Co % J. Rostrup Supt. Odair Noak

(Notify J. A. Bowles, Supervising Engr)

1100 - #90 tie plates, 6 7/8 x
or 7 x 9

EARLY DELIVERY

For Grand Coulee
Dam project.
In accordance with
terms of contract between
United States of America
and N.P. dated Nov 19 -
1934 - articles 5 and 11

Copy
J Rostrup
H E Hanson

Mr. B Blum

Acct'g. Dept.

| | |
|---|---|
| L. A. B. | F. W. S. |
| H. S. L. | A. L. W. |
| W. C. P. | F. J. J. |
| G. E. L. | R. V. O. |
| C. S. C. | G. C. |

JUL 14 1941

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
COULEE DAM, WASHINGTON

July 10, 1941

Northern Pacific Railway Company
St. Paul, Minnesota

Gentlemen:

Reference is made to our letter of November 27, 1939 concerning article 20 of contract, (symbol I2r-804), between the United States and the Northern Pacific Railway Company, dated November 19, 1934, and your reply thereto of December 9, 1939.

The contractor for the completion of Grand Coulee Dam and Power Plant, Consolidated Builders, Inc., is, at the present time, completing the extension of the spur track to the powerhouse for which all materials are available with the exception of 1100 tie plates required because of the sharp curves involved.

It is therefore requested that, pursuant to the provisions of articles 5 and 11 of the contract, these tie plates be supplied.

Very truly yours,

F. A. Banks
Supervising Engineer

Hanke

B 8731-C

St. Paul, Minnesota,
December 2nd, 1940

Mr. M. L. Countryman:

Referring to your letter of August 21st and subsequent personal discussions with you of the negotiations with the Reclamation Service which resulted in contract dated November 19th, 1934 between the U. S. Government and the Northern Pacific Railway covering the construction by the Government of a railway from a connection with the Northern Pacific near Coulee City (Odair) to the Grand Coulee dam site and establishing maximum freight rates on materials transported by the Northern Pacific to this junction point.

I have reviewed my files from the inception of the Grand Coulee dam and irrigation project and my answers to the alleged representations by Northern Pacific officers, enumerated in the memorandum attached to your letter, are as follows:

Paragraph 1

No such statement was ever made by me or by any officer of the Northern Pacific in my presence, nor was any such suggestion made to me or in my presence by any officer of the Reclamation Service throughout the negotiations had with them for the construction of a railway from Coulee City to the dam site.

Paragraph 2

Same reply as for Paragraph 1 so far as fixing specific rates for moving cement is concerned.

We did agree to build and operate the railway on the condition that all freight be given rail routing. This the Reclamation Service considered impracticable or inadvisable, and in letter addressed to Secretary Ickes dated March 7, 1934, Mr. Donnelly advised him we would not exercise the authority granted us to construct the railway. It is true this letter has reference to the low dam project then under consideration but in view of the unwillingness of the Reclamation Bureau to make any commitments as to routing or carrying the project through to ultimate completion, it is self-evident that the ultimate volume of traffic which might by some method of transportation ultimately reach the dam site would not be a controlling factor, and even had the high dam been discussed at that time, which it was not, I am confident Mr. Donnelly's position would have been the same as that indicated in his letter to Secretary Ickes of March 7, 1934.

Paragraph 3

This allegation is somewhat ambiguous and is apparently based,

in part, on Mr. Donnelly's letter of March 7, 1934, but ignoring the fact that the Bureau declined to give any assurance as to the volume of traffic which would be moved, and certainly they were not in a position to give assurance that the Grand Coulee project (which in this instance apparently refers to the high dam, power plant and appurtenances) would be completed within ten years, or at all.

No such proposal was made to us and it is obvious the Government were not in a position to carry out such a proposal even if they had desired to make it.

Paragraph 4

We probably did state that we expected only a reasonable profit on such transportation service as we performed and it was our contention that land grant rates placed the Government in the position of a preferred shipper on which the carrier's margin of profit was far less than they enjoyed on commercial shipments, and were it not for the fact that we were suggesting the Government assume the cost of building the construction railway between our tracks and the dam site, there would be no justification whatever for giving consideration to anything less than land grant rates.

Paragraph 5

Estimated quantities and gross revenue accruing under land grant rates furnished us by the Bureau Engineers were for the low dam only. At no time did they attempt to negotiate with us on the basis of estimated quantities for what they now term the Grand Coulee project, nor were they in a position to do so as such a project had not been authorized.

The complete understanding with reference to the construction of the railway is covered in my letter to Mr. Walter dated March 28, 1934 which, as stated in the letter, has reference to the only project then authorized or under discussion, known as the Grand Coulee low dam project. Under this agreement the railway were to loan the Government rail and fastenings, and when Mr. Walter inquired if I would be willing to leave the metal in place after completion of the low dam project if on such completion it appeared probable the Government would, within a few years thereafter proceed with the construction of the high dam project, I advised we would have no objection if the matter did not drag along to a point where we would be unable to recover the rail without rehabilitating ties and sub-grade, and fixed a cutoff limit for decision as to whether or not a high dam would be built at ten years, or practically one cycle of tie life.

Mr. Countryman No. 3

Paragraph 6

Our discussions were, of course, based on hauling the cement via the Northern Pacific, that being the only route over which we have the right to operate and also the only route to which land grant rates were applicable. We made no statement that the Great Northern Railway would not be utilized, other than to state the fact that we had no interchange with the Great Northern at Adrian and did not propose to make one as it would have the effect of giving the Great Northern about 219 miles of the haul from Seattle and 21 miles to the Northern Pacific. At the time these negotiations were in progress we had no reason to believe or assume that a satisfactory arrangement could be worked out with the Great Northern for moving the cement via the short route instead of the circuitous routing over the Northern Pacific.

Paragraph 7

We probably stated the line from Connell to Odair carried but little business, but this had no bearing whatever on our determination of the cost of operation. Without the dam business we operate the line Connell to Coulee only when there is business offered, and that would also be true if that line had handled the Coulee dam business; that is we have no regular scheduled service, the cost of which would be reduced by increased volume of business. On the contrary, had we handled the dam business via the Connell-Northern, it would have been necessary to incur the expense of a very substantial rehabilitation of that line in order to put it in shape to carry this heavy increase in tonnage. Our minimum cost figures on transportation took into consideration all of these factors.

Paragraph 8

I do not understand what bearing this statement is supposed to have on the controversy.

Paragraph 9

It is our position we could not afford to consider any further reduction below the land grant rate; in fact it was my personal opinion that we should not go as low as we ultimately did in order to close the deal with the Bureau.

Paragraph 10

It was, as stated, our contention that we must figure costs

via our own line. We made no commitment that the business would be moved via that line if, as was the case, we were able to avoid the waste involved in circuitous routing by working out a contract deal with the Great Northern which would give the the Northern Pacific a profit equivalent to that which we expected to obtain through handling the tonnage via the long route.

GENERAL:

As you know, I personally handled the negotiations at Denver with Mr. Walter and his assistants which resulted in the Bureau agreeing to build a Government owned railway Odair to the dam site; the Northern Pacific to loan the rail and fittings. The Government Engineers at that time were contemplating obtaining bids for constructing the project without commitment as to transportation facilities, leaving to the contractor the working out of the plan which would most economically put the large volume of material required on the dam site. It was my contention that bids received on that basis would merely mean that the contractor would make ample provision for the expense of constructing and operating a railway from the nearest existing railway, or agree to give to a railway the guarantee which the Government were unwilling to give; that is that the cost of a railway built purely for construction purposes would be guaranteed either in payments made for transporting material or by direct payments in case work should be stopped before the construction cost, less salvage, had been amortized. On any basis of figuring the Government would pay the bill, either directly or indirectly, plus a reasonable profit.

The Bureau Engineers argued that possibly the contractor would undertake to truck the materials, a method which I did not consider physically possible, but even if possible, our estimates indicated the expense to the contractor would be at least 50% in excess of the cost of providing the necessary transportation through the construction and operation of a construction railway from Odair to the dam site.

The suggestion made by the Engineers that the Government might undertake to construct a cement mill at the dam site, did not interest me as it was apparent that even if they should undertake to do so, the volume of transportation from existing railways to the dam site would thereby be increased rather than diminished. The construction of a cement mill having the rated daily capacity necessary to furnish all, or even a major part of the cement required for the maximum progress proposed in their schedule, would mean the transportation of large quantities of materials and machinery for the mill itself, plus large quantities of coal, rock and other raw materials and supplies entering into the construction and operation of a plant of that magnitude.

Mr. Countryman No. 5

It was my impression at the time, and I think correctly, that the Government were advancing the suggestion that they might give consideration to the construction and operation of a cement mill in the hope of getting some trading advantage in the purchase of cement from the existing mills. In view of the fact that there were already available sufficient mills in the State of Washington to furnish the estimated requirements for the low dam, it did not seem to me at all probable that they would recommend to the Secretary of the Interior that the Government construct and operate a cement mill.

The Government, having declined to give the railway any guarantee as to the volume of business which would be handled over a railway that would obviously be of no use whatever in case construction on the dam was suspended or abandoned, it was my position they should themselves assume the investment risk involved in the railway construction. We were willing to make a reduction in the land grant cement rate sufficient to amortize this investment in the haul of the cement quantities estimated for the low dam, that is 800,000 tons. We estimated the cost of the railway at approximately $759,000 and deducting the items of engineering, rail, track fastenings, general expenses and interest included in this estimate, we figured the net cost to the Government would be between $500,000 and $600,000. The reduction finally agreed upon was approximately 5¢ cwt below the then established land grant rates, which amounted to approximately $800,000 on the volume of cement which the Government Engineers furnished me as the estimated requirements for the low dam project.

A few months after excavation work was started under the first, or low dam contract, and long before any concrete was placed in the dam structure, the Government issued a work change order requiring the contractor to apply approximately his contract amounts in putting in the foundations for a high dam. The volume of cement actually hauled and used for that purpose was 922,000 tons, or approximately 15% in excess of the quantities used as the basis of our negotiations with the Government in estimating reduction in rates required to amortize cost of the construction railway; consequently the reduction in rates under the first contract exceeded the cost to the Government for constructing the railway by more than 50%.

H E STEVENS

cc Mr. B. W. Beandrett
Mr. R. W. Clark
Mr. Bernard Blum

OFFICE OF CHIEF ENGINEER
DEC 23 1940
NOR. PAC. RY.
ST. PAUL, MINN.

Fidelity Union Safe

8731-C

16503

Saint Paul, Minnesota,
October 30, 1940

Mr. H. E. Stevens, Vice President
Mr. W. C. Sloan, Asst. Vice President & G.M., Seattle
Mr. L. A. Behler, General Auditor (3)
Mr. H. G. Hanson, District Accountant, Tacoma
Mr. J. E. Thames, Eastern Right of Way Agent
Mr. V. E. Williams, Western R/W Agent, Seattle
Mr. E. A. McCrary, Tax Commissioner
Mr. W. C. Smith, Asst. Tax Commissioner, Seattle
Mr. R. W. Clark, Vice President
Mr. J. L. Burnham, Western Traffic Manager, Seattle
Mr. J. J. McManus, Freight Claim Agent
Mr. Fred Brastrup, Superintendent, Spokane
Mr. P. H. McCauley, General Supt. Transportation
Mr. J. L. Hurd, Asst. Gen'l Supt. Transportation, Seattle
Mr. T. J. Joyce, Car Accountant
Mr. C. H. Goodhue, Manager Mail Traffic
Mr. E. H. Friberg, Superintendent Telegraph (2)
Mr. E. L. Grimm, Asst. to Vice President
Mr. F. G. Moody, Master Car Builder
Mr. Bernard Blum, Chief Engineer (2)
Mr. A. F. Stotler, Asst. Chief Engineer, Seattle
Mr. H. M. Tremaine, District Engineer, Spokane
Mr. R. E. Keck, General Claim Agent

Referring to agreement dated November 19, 1934 with the United States of America (Secretary of the Interior) for construction of a standard gauge railroad from Odair, Washington to Grand Coulee Dam Site:

Herewith copy of letters dated September 11, 1940 and September 26, 1940 in regard to materials used in tracks.

Distribution of these letters is limited to the list shown above. They must not be copied and distributed to other departments and subordinate officers without the approval of the Secretary.

Kindly acknowledge receipt on the enclosed form.

A. M. Gottschald

Secretary

Encl.
f

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Coulee Dam, Wash.

September 11, 1940

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway Company
St.Paul, Minnesota

Dear Sir:

Reference is made to your letter of August 5, 1940, regarding the rail and fittings leased from your company by the Western Pipe and Steel Company for their contract work at Grand Coulee Dam.

This office has recently been advised by the Western Pipe and Steel Company that the materials referred to under this lease include both the spur track and the gantry track. We have made a physical inventory of the materials in place in these tracks, as follows:

| | |
|---|---|
| 1884.2 | lin. ft. of 90# rail, 33-foot lengths |
| 40 | pairs, 90# Angle bars, S. H. |
| 934 | pcs. 90# tie plates, S.H. |
| 1316 | lin. ft. of 72" rail, 30-foot lengths |
| 72 | pairs, 72# angle bars, S. H. |
| 879 | pcs. 72" tie plates, S. H. |

FJG

It will be noted that the above differs materially in some instances from the listing in your letter, and it is evident that the contractor used some 72# angle bars with 90# rail.

The Government agrees to add the material listed above to that furnished under and covered by contract between the United States of America and the Northern Pacific Railway Company, dated November 19, 1934. If this is acceptable to your company, please advise.

Very truly yours,
F. A. Banks (Sgd)
F. A. Banks
Supervising Engineer

---

NORTHERN PACIFIC RAILWAY COMPANY
St.Paul, Minn., September 26, 1940

F. A. BANKS, Supervising Engineer
U. S. Bureau of Reclamation
Coulee Dam, Washington

Dear Sir:

Referring to your letter of September 11, relative to rail, angle bars, and tie plates leased to the Western Pipe And Steel Co. under agreement of April 30, 1938, and left in place at the expiration of that agreement for the use of the Government, to be added to the material furnished under and covered by contract between the United States of America and the Northern Pacific Railway, dated November 19, 1934.

Saint Paul, October 7, 1940

MR. H. E. STEVENS:

Your letter of October 4 about additional track material loaned to the Bureau of Reclamation at Coulee Dam, that was formerly used by the WESTERN PIPE AND STEEL CO.:

On May 23 the Western Pipe & Steel Co. notified our traffic representative at Mason City that they were through with the material so I think it proper to consider that the Government had charge of it since June 1.

However, I do not understand the reference to the date rental should commence on the additional material, as all the track material that we have let them have heretofore has been on the basis of free rental, although I had previously recommended a rental charge - see your letter of June 25, 1940.

bb/s

Mr Beem -

Western Pipe and Steel Co. has paid rental on Malena to April 29th. 1940. Brastrup advises first information about this concern relinquishing malena was a phone call from our Traffic Representative at Mason City on May 28th. Brastrup asked for formal request for cancellation which was not received until their letter September 6th 1940. Accounting Department have asked Mr Stevens for decision on submitting further rental bills.

First correspondence from Government about taking over Malena was Mr Banks' letter to Mr Stevens July 2nd and latter covered by exchange of letters Sept 11th and 26th.

Possibly we could consistently use July 2nd as the date of commencement of use by Government, and relinquishment by Western Pipe & Steel Co if we can collect.

M 11/7/40

Saint Paul, Minnesota,

October 4, 1940.

Mr. Bernard Blum:

Referring to your letter of September 26 with which you enclosed an exchange of letters with Supervising Engineer F. A. Banks, of the United States Bureau of Reclamation, with respect to adding to the Government's lease of November 19, 1934, certain rail and track material placed in the track at Grand Coulee by the Western Pipe & Steel Company.

Before filing the letters with the Secretary, as an amendment to the 1934 contract, I should be glad if you would advise what date rental should commence on the additional material.

VICE PRESIDENT
OCT 27 10

Saint Paul, September 26,1940

MR. H. E. STEVENS:

Referring to your letter of July 6 and returning letter of July 2 from F.A.Banks, Supervising Engineer of the U S Bureau of Reclamation, in connection with use by the Government of rail, angle bars, and tie plates released by the Western Pipe and Steel Co. under agreement of April 29, 1938:

I sent you copy of my letter of August 5 to Mr. Banks; and am now attaching his letter of September 11, 1940, with copy of my reply of this date.

You will note that the physical inventory which Mr. Banks had made of the materials in place in these tracks shows more material than is listed in my letter, based on the information furnished by Superintendent Brastrup.

I presume Mr. Banks' letter of September 11 should be sent to the Secretary for filing.

attach.

x

September 26,1940

F. A. BANKS, Supervising Engineer
U. S. Bureau of Reclamation
Coulee Dam, Washington

Dear Sir:

Referring to your letter of September 11, relative to rail, angle bars, and tie plates leased to the Western Pipe and Steel Co. under agreement of April 29, 1938, and left in place at the expiration of that agreement for the use of the Government, to be added to the material furnished under, and covered by, contract between the United States and the Northern Pacific Railway, dated November 19, 1934:

As your list of materials is based on a physical inventory of materials in place on these tracks, it is acceptable to this Company.

Very truly yours,

bb/s

x

Comparison between N.P and Government check of material left in track by Western Pipe and Steel Co

| | Northern Pacific Quantity | Value | Government Quantities | Value |
|---|---|---|---|---|
| Rail 90lb 3in B 20° | 1353.4 ft | $362.52 | 1884.2 ft | $504.70 |
| Angle Bars 90lb AN 1 38 | 43 prs | 59.34 | 40 prs | 55.20 |
| Tie Plates " " .119 | 669 pcs | 79.61 | 934 pcs | 111.15 |
| Rail 72lb 3in B 20° | 1393 ft | 298.50 | 1316 ft | 282.00 |
| Angle Bars 72lb AN .88 | 52 prs | 45.76 | 72 prs | 63.36 |
| Tie Plates 72lb " .119 | 1050 pcs | 124.95 | 879 pcs | 104.60 |
| Total | | $970.68 | | $1121.01 |

Difference (at Company inside prices) $150.33

WMW 9/2"

| | | Gov |
|---|---|---|
| 3/B 90# rail | [illegible] | 1284 v |
| 90# angle bars | [illegible] | 40 |
| 90# tie plates | [illegible] | 934 |
| 3/B 72# rail | [illegible] | 1316 |
| 72# angle bars | [illegible] | 72 |
| 72# tie plates | [illegible] | 879 |

United States Department of the Interior

BUREAU OF RECLAMATION

Coulee Dam, Washington

September 11, 1940

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway Company
St. Paul, Minnesota

Dear Sir:

Reference is made to your letter of August 5, 1940, regarding the rail and fittings leased from your company by the Western Pipe and Steel Company for their contract work at Grand Coulee Dam.

This office has recently been advised by the Western Pipe and Steel Company that the materials referred to under this lease include both the spur track and the gantry track. We have made a physical inventory of the materials in place in these tracks, as follows:

1884.2 lin. ft. of 90# rail, 33' lengths
40 pairs, 90# angle bars, SH
934 pcs 90# tie plates, SH
1316 lin. ft. of 72# rail, 30' lengths
72 pairs, 72# angle bars, SH
879 pcs. 72# tie plates, SH

It will be noted that the above differs materially in some instances from the listing in your letter, and it is evident that the contractor used some 72# angle bars with 90# rail.

The Government agrees to add the material listed above to that furnished under and covered by contract between the United States of America and the Northern Pacific Railway Company, dated November 19, 1934. If this is acceptable to your company, please advise.

Very truly yours,

(F. A. Banks)
Supervising Engineer

6

United States Department of the Interior

BUREAU OF RECLAMATION

Coulee Dam, Washington

September 11, 1940

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway Company
St. Paul, Minnesota

Dear Sir:

Reference is made to your letter of August 5, 1940, regarding the rail and fittings leased from your company by the Western Pipe and Steel Company for their contract work at Grand Coulee Dam.

This office has recently been advised by the Western Pipe and Steel Company that the materials referred to under this lease include both the spur track and the gantry track. We have made a physical inventory of the materials in place in these tracks, as follows:

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Very truly yours,

(F. A. Banks)
Supervising Engineer

6

United States Department of the Interior

BUREAU OF RECLAMATION

Coulee Dam, Washington

September 11, 1940

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway Company
St. Paul, Minnesota

Dear Sir:

Reference is made to your letter of August 5, 1940, regarding the rail and fittings leased from your company by the Western Pipe and Steel Company for their contract work at Grand Coulee Dam.

This office has recently been advised by the Western Pipe and Steel Company that the materials referred to under this lease include both the spur track and the gantry track. We have made a physical inventory of the materials in place in these tracks, as follows:

1884.2 lin. ft. of 90# rail, 33' lengths
40 pairs, 90# angle bars, SH
934 pcs 90# tie plates, SH
1318 lin. ft. of 72# rail, 30' lengths
72 pairs, 72# angle bars, SH
879 pcs. 72# tie plates, SH

It will be noted that the above differs materially in some instances from the listing in your letter, and it is evident that the contractor used some 72# angle bars with 90# rail.

The Government agrees to add the material listed above to that furnished under and covered by contract between the United States of America and the Northern Pacific Railway Company, dated November 19, 1934. If this is acceptable to your company, please advise.

Very truly yours,

(F. A. Banks)
Supervising Engineer

6

United States Department of the Interior

BUREAU OF RECLAMATION

Coulee Dam, Washington

September 11, 1940

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway Company
St. Paul, Minnesota

Dear Sir:

Reference is made to your letter of August 5, 1940, regarding the rail and fittings leased from your company by the Western Pipe and Steel Company for their contract work at Grand Coulee Dam.

This office has recently been advised by the Western Pipe and Steel Company that the materials referred to under this lease include both the spur track and the gantry track. We have made a physical inventory of the materials in place in these tracks, as follows:

1284.2 lin. ft. of 90# rail, 33' lengths
40 pairs, 90# angle bars, SH
934 pcs 90# tie plates, SH
1316 lin. ft. of 72# rail, 30' lengths
72 pairs, 72# angle bars, SH
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It will be noted that the above differs materially in some instances from the listing in your letter, and it is evident that the contractor used some 72# angle bars with 90# rail.

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Very truly yours,

(F. A. Banks)
Supervising Engineer

6

8731-C

Jul August 5, 1940

Mr. F. A. Banks,
Supervising Engineer,
U. S. Department of the Interior, Bureau of Reclamation,
Coulee Dam, Washington.

Dear Sir:

Replying to your letter of the 2nd instant to Mr. H. E. Stevens, Vice President, relative to rail, angle bars and tie plates leased by the Northern Pacific Railway Company to the Western Pipe and Steel Company of San Francisco, California, under agreement dated April 29, 1938, for use in connection with their contracts with the Government in the construction of the Grand Coulee Dam. The Western Pipe and Steel Company having completed their contracts with the Government have terminated the agreement for the lease of rail, angle bars and tie plates.

A portion of this material, used in the construction of spur for the building which houses their fabricating plant, you desire left in place, for the use of the Government, comprising the following, -

| | |
|---|---|
| 1358.4 | feet 3-8 90# rail, 33 ft. lengths |
| 43 | pairs 90# angle bars, S.H. |
| 609 | pcs. 90# tie plates, S.H. |
| 1393 | feet 3-8 72# rail, 30' lengths |
| 52 | pairs 72# angle bars, S.H. |
| 1060 | pcs. 72# tie plates, S.H. |

The Railway Company agrees to leave this material in place for use of the Government same to be added to the material furnished under and to be covered by contract between the United States of America and the Northern Pacific Railway Company dated November 19, 1934. If this is acceptable to you please have one copy of this letter accepted on behalf of the United States.

Yours truly,

TSG:l
cc/ H. E. Stevens
W. G. Sloan
A. F. Stotler
H. M. Tremaine
Fred Brastrup
L. A. Behler

495

Saint Paul, August 2, 1940

MR. H. E. STEVENS:

Your letter of July 6, and tracers of July 18 and August 1, in connection with the use of rail and angle bars released by the Western Pipe & Steel Co. at Grand Coulee Dam, and the loaning of additional material to the Government:

Draft of a letter to F. A. Banks, Supervising Engineer of Grand Coulee Dam, to cover the loan of additional material, was prepared and submitted on July 17 to the Law Department for approval as to form.

cc-Mr. L. B. daPonte

g/s

BERNARD BLUM

BERNARD BLUM

8731-P

Saint Paul, August 2, 1940

MR. H. E. STEVENS:

Your letter of July 6, and tracers of July 18 and August 1, in connection with the use of rail and angle bars released by the Western Pipe & Steel Co. at Grand Coulee Dam, and the loaning of additional material to the Government:

Draft of a letter to F. A. Banks, Supervising Engineer of Grand Coulee Dam, to cover the loan of additional material, was prepared and submitted on July 17 to the Law Department for approval as to form.

cc-Mr. L. B. daPonte

E/s

Saint Paul, Minnesota,

August 1, 1940.

Mr. Bernard Blum:

Can you now reply to my letter of July 6 in connection with the Coulee Dam Project with respect to use of rail and angle bars released by the Western Pipe and Steel Company at the Dam site?

H. E. Stevens

3

OFFICE OF CHIEF ENGINEER
AUG 12 1940
NORTH PACIFIC RY

Saint Paul, Minnesota,

July 18, 1940.

Mr. Bernard Blum:

Can you now reply to my letter of July 6 in connection with the Coulee Dam Project with respect to use of rail and angle bars released by the Western Pipe and Steel Company at the Dam site?

N E Stevens

JUL 7 1940

495

St. Paul, July 17, 1940

LAW DEPT. ST. PAUL JUL 17 1940 N. DIV. MINN.

Mr. L. B. daPonte:

Herewith for your approval draft of letter to Mr. F. A. Banks, Supervising Engineer of the Grand Coulee Dam, in connection with loaning of additional material to the Government.

I am leaving attached my file, No. 9222, in connection with this matter as well as file 8731-C which includes copy of the contract with the Government, dated November 19, 1934.

TRG:l

Bernard Beem
Chief Engineer

8731-C

St. Paul, July 17, 1940

Mr. L. B. daPonte:

Herewith for your approval draft of letter to Mr. F. A. Banks, Supervising Engineer of the Grand Coulee Dam, in connection with loaning of additional material to the Government.

I am leaving attached my file, No. 9222, in connection with this matter as well as file 8731-C which includes copy of the contract with the Government, dated November 19, 1934.

TRG:l

Chief Engineer

# NORTHERN PACIFIC RAILWAY COMPANY

ENGINEERING DEPARTMENT

BERNARD BLUM,
CHIEF ENGINEER

ST. PAUL, MINN. July 17, 1940

Mr. F. A. Banks,
Supervising Engineer,
United States Department of the Interior, Bureau of Reclamation,
Coulee Dam, Washington.

Dear Sir:

Replying to your letter of the 2nd instant to Mr. H. E. Stevens, Vice President, relative to rail, angle bars and tie plates leased by the Northern Pacific Railway Company to the Western Pipe and Steel Company of San Francisco, California, under agreement dated April 29, 1938, for use in connection with their contracts with the Government in the construction of the Grand Coulee Dam. The Western Pipe and Steel Company having completed their contracts with the Government have terminated the agreement for the lease of rail, angle bars and tie plates.

A portion of this material, used in the construction of spur for the building which houses their fabricating plant, you desire left in place, for the use of the Government, comprising the following, -

| | |
|---|---|
| 1353.4 | feet 3-B 90# rail, 33 ft. lengths |
| 43 | pairs 90# angle bars, S.H. |
| 669 | pcs. 90 # tie plates, S.H. |
| 1393 | feet 3-B 72# rail, 30' lengths |
| 52 | pairs 72# angle bars, S.H. |
| 1050 | pcs. 72# tie plates, S.H. |

The Railway Company agrees to leave this material in place for use of the Government ~~as supplement to material furnished under contract~~ added to the material furnished under and to be covered by contract between the United States of America and the Northern Pacific Railway Company dated November 19, 1934: ~~This material to be returned to the Railway in accordance with paragraph 20 of that agreement.~~

~~Please acknowledge.~~

If this is acceptable to the U.S. - please have one copy of this letter ~~executed~~ accepted on behalf of the U.S.

TRG:1

yours

Saint Paul, Minnesota,

July 6, 1940.

Mr. Bernard Blum:

I enclose herewith a letter received from F. A. Banks, Supervising Engineer of the Government, in connection with the Coulee Dam Project with respect to use of rail and angle bars released by the Western Pipe and Steel Company at the Dam site.

I wrote you under date of June 25 approving of the Government's use of this material on the same basis of material previously furnished.

Will you please furnish me a copy of your letter advising the Government of that action and return the letter enclosed herewith.

H E Stevens

OFFICE OF CHIEF ENGINEER
JUL 7 8 1940
NOR. PAC. RY.

Appeal from U.D.
Dept of Interior to
N.E. Stevens Vice Pres.
May 24. 1934

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Copies on request of
Mr Counsyman for
6 Copies

Furnished 4/23/40

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Columbia Basin Project, Washington

(D.O. draft of May 24, 1934)

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Contract between United States and Northern Pacific Railway Company, providing for furnishing by Company of rail and fastenings for construction railroad and establishment of freight rates on materials, supplies and equipment moving on Government bills-of-lading, for use in construction of Grand Coulee dam and power plant.

1. This Contract, Made this____day of____, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act (herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____, Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of _____ (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the NIRA in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two milew northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of a delivery yard at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and,

3. WHEREAS, it is contemplated that the contractor, for construction of the Grand Coulee dam and power plant, will operate and maintain the construction railroad after its completion; and,

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and,

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Coulee City, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair,

Washington, to the Grand Coulee Dam site; and,

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies, and equipment moving on Government bills-of-lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad, to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map marked Exhibit A, made a part hereof, such railroad to consist of a delivery yard at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right-of-way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense, all supplies and materials going into the railroad, except rail and fastenings.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the Railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Coulee City, Washington, sufficient suitable 90-pound rail and fastenings, including frogs and switches, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including the delivery yard at Odair and the necessary sidings and turnouts.

12. The following maximum net cash freight rates, in cents per hundred-weight, are hereby established by the company on cement moving from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills-of-lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin, | 13¢ |
| Metaline Falls, | 17¢ |
| Bellingham, | 17¢ |
| Concrete, | 17¢ |
| Seattle, | 17¢ |
| Grotto, | 17¢ |

On the balance of the items of materials, supplies, and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates, less landgrant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

From Sand Point, Idaho 18¢
From Coeur d'Alene, Idaho, 14¢
From Spokane, Washington, 12½¢

The rates hereinabove are maximum rates which shall not be increased during the term of this contract, but if, in the opinion of the United States, such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, such reductions in the established rates or such new rates will be made as may be agreed by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad by the contractor for construction of the Grand Coulee dam and power plant will be subject to supervision and control by the United States, and the contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The delivery yard at Odair and a portion of the main line of the Company at the delivery yard will be used in common by the United States, the Company, and the contractor for construction of the Grand Coulee dam and power plant for delivering cars from one party to the other, but the operation of this section of the railroad shall be under the direction and control of the Company, and before making use thereof the contractor for construction of the Grand Coulee dam and power plant shall agree in writing, with the United States and the Company to observe, so far as practicable, the terms and conditions of this agreement.

15. The United States shall return to the Company, without cost, f.o.b. cars at Coulee City, Washington, all rail and fastenings furnished to the United States by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided, that if, on completion of the Grand Coulee dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the construction of the High Dam, the Company will not require return of the rail and fastenings until the High Dam has been completed; and

provided further, that if no decision as to the construction of the High Dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Coulee City, Washington; and provided further, that at the option of the United States the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

16. No member of or delegate to Congress or resident commissioner shall be admitted to any share of part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By_____,
Federal Emergency
Administrator of Public
Works and Secretary of the
Interior.

(SEAL) Attest:

NORTHERN PACIFIC RAILWAY COMPANY,

_____
Secretary

By_____
President.
St. Paul, Minn.

---

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Columbia Basin Project, Washington

(D.O. draft of May 24, 1934)

---

Contract between United States and Northern Pacific Railway Company, providing for furnishing by Company of rail and fastenings for construction railroad and establishment of freight rates on materials, supplies and equipment moving on Government bills-of-lading, for use in construction of Grand Coulee dam and power plant.

1. This Contract, Made this____ day of____, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act (herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____, Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of _____ (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the NIRA in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two milew northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of a delivery yard at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and,

3. WHEREAS, it is contemplated that the contractor, for construction of the Grand Coulee dam and power plant, will operate and maintain the construction railroad after its completion; and,

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and,

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Coulee City, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair,

Washington, to the Grand Coulee Dam site; and,

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies, and equipment moving on Government bills-of-lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

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11. The Company will also furnish to the United States, without charge, f.o.b. cars at Coulee City, Washington, sufficient suitable 90-pound rail and fastenings, including frogs and switches, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including the delivery yard at Odair and the necessary sidings and turnouts.

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| Metaline Falls, | 17¢ |
| Bellingham, | 17¢ |
| Concrete, | 17¢ |
| Seattle, | 17¢ |
| Grotto, | 17¢ |

On the balance of the items of materials, supplies, and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates, less landgrant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

From Sand Point, Idaho 18¢
From Coeur d'Alene, Idaho, 14¢
From Spokane, Washington, 12½¢

The rates hereinabove are maximum rates which shall not be increased during the term of this contract, but if, in the opinion of the United States, such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, such reductions in the established rates or such new rates will be made as may be agreed by the authorized representatives of the Company and the United States.

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provided further, that if no decision as to the construction of the High Dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Coulee City, Washington; and provided further, that at the option of the United States the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

16. No member of or delegate to Congress or resident commissioner shall be admitted to any share of part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____,
Federal Emergency
Administrator of Public
Works and Secretary of the
Interior.

(SEAL) Attest:

NORTHERN PACIFIC RAILWAY COMPANY,

_____
Secretary

By _____
President.
St. Paul, Minn.

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8731-6

Train 4 - Yellowstone Division
December 5, 1939

Mr. H. E. Stevens:

Your letter of the 4th in regard to the attached letter from Mr. Banks dated November 27th about turning over to the United States 1420 lineal feet of second-hand 90 lb. bars and 800 tie plates between the Grand Coulee Dam power house and the end of the Government railway.

This is the item mentioned to me by Assistant Engineer Darland when we were at the Dam a few days ago and which I brought to your attention.

Mr. Banks in his letter states that this additional material would be returned to the Railway when other materials are returned in accordance with Paragraph 20 of the Government railway contract dated November 19, 1934. I rather gained the impression when Mr. Darland spoke to me that they wanted to have this track remain permanently in place to handle heavy materials into the power house that might come to the Dam by truck after the Government railway had been taken up on account of filling the dry coulee reservoir. On the basis that this rail will have the same status as the Government railroad rail, it would be a little awkward to ask them for rental in view of the liberality with which we have treated them in the past; however, if this rail is to remain in place, then I think we should receive compensation for same, and I suggest Mr. Banks be advised we are willing to lend them the1420 feet of rail and fastenings as supplement to the existing contract, but if any portion of the material is to remain after the Government railroad is taken up, the matter will be negotiated at that time.

BB:m
encl.

Copy: Mr. L. Yager

4413

Train 4 - Yellowstone Division
December 5, 1939

Mr. H. E. Stevens:

Your letter of the 4th in regard to the attached letter from Mr. Banks dated November 27th about turning over to the United States 1420 lineal feet of second-hand 90 lb. bars and 800 tie plates between the Grand Coulee Dam power house and the end of the Government railway.

This is the item mentioned to me by Assistant Engineer Darland when we were at the Dam a few days ago and which I brought to your attention.

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BB:m
encl.

Copy: Mr. L. Yager

On Yellowstone Division,
December 4, 1939

Mr. Bernard Blum:

Herewith letter from Mr. Banks, dated November 27th, about return of a portion of the rail furnished for the Government Railway between Odair and Grand Coulee Dam.

Please let me have your recommendations with return of letter.

8731 C

4112 1

September 19, 1936

Mr. S. O. Harper,
Acting Chief Engineer,
U. S. Dept. of Interior,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Sir:

Referring to our recent exchange of correspondence originating with your letter of August sixth, requesting the Northern Pacific to furnish 14,000 additional tie plates for use on curves between Odair and the Head of the Dry Coulee at Coulee Dam, Washington.

I am arranging to furnish the plates requested, making delivery to Mr. Banks at Odair, Washington. We will advise Mr. Banks shipping data as soon as arrangements are concluded.

Yours truly,

BB:h
cc Mr. F. A. Banks
Mr. A. F. Stotler
Mr. H. M. Tramaine

873.1 C

1114

Saint Paul, Minn.,

September 18, 1936.

MR. BERNARD BLUM:

Your letter of September 15th about furnishing tie plates for the curvature on the Government railroad between Odair and the head-of-the-canyon.

In view of the way Mr. Banks feels about the matter you may go ahead and furnish these plates regardless of the contract or previous understandings.

We do not wish to do anything to disturb the friendly relations between the Northern Pacific, Reclamation Service and the MWAK Company, and, as I understand it, all that is involved in this case is the loss of the use of these tie plates for the period the Government railroad remains in place.

I wish, therefore, you would advise Mr. Banks that we will be glad to furnish the plates as requested.

8731 C
4/1031

Saint Paul, Minn.,
September 15, 1936

Mr. H. E. Stevens:

I wrote you August twelfth transmitting copy of letter from Mr. S. O. Harper of the Reclamation Bureau requesting the Northern Pacific to furnish the Government 14,000 tie plates for curves on the Government Railroad.

In accordance with your suggestion of August sixteenth I had Mr. Tremaine go over the situation on the ground with Mr. Banks. I am attaching herewith copy of Mr. Tremaine's report of September eighth. I think Mr. Tremaine has covered the situation quite thoroughly and apparently he did what he could to convince Mr. Banks that we had fulfilled our obligation.

Apparently Mr. Banks' mind is made up that the Railway Company should furnish the tie plates for the reason that we supplied other track material, and in the contract the Government had with Contractor Ryan they provided that the track which Mr. Ryan built would be fully tie plated. That, of course, is no affair of ours. Also the MWAK Company are evidently pressing the Government for tie plates as undoubtedly it would be of help to them in their maintenance of the railroad.

Our records are quite clear that we never agreed to furnish the tie plates now demanded, in fact we definitely indicated we would not do so.

As Mr. Tremaine states, it is a question of policy. I do not understand Mr. Banks' attitude in the matter. They were given a special price on the cement haul. We furnished them track metal free of charge. Other Government agencies, such as the U. S. Engineers, have purchased or leased rail for their construction railroads and, as far as I know, have not demanded special freight rates.

I cannot recommend that we furnish these plates free of charge but am willing to lease them at a rate that will reimburse us for the investment and depreciation. On that basis I would suggest interest at 5% and depreciation at 5% per annum. On the basis of 7x9 plates this would mean an annual charge of $285 and for 6x8½ plates $222.

285.00

222

RB h

Saint Paul, Minn.,
September 15, 1936

Mr. H. E. Stevens:

I wrote you August twelfth transmitting copy of letter from Mr. S. O. Harper of the Reclamation Bureau requesting the Northern Pacific to furnish the Government 14,000 tie plates for curves on the Government Railroad.

In accordance with your suggestion of August sixteenth I had Mr. Tremaine go over the situation on the ground with Mr. Banks. I am attaching herewith copy of Mr. Tremaine's report of September eighth. I think Mr. Tremaine has covered the situation quite thoroughly and apparently he did what he could to convince Mr. Banks that we had fulfilled our obligation.

Apparently Mr. Banks' mind is made up that the Railway Company should furnish the tie plates for the reason that we supplied other track material, and in the contract the Government had with Contractor Ryan they provided that the track which Mr. Ryan built would be fully tie plated. That, of course, is no affair of ours. Also the MWAK Company are evidently pressing the Government for tie plates as undoubtedly it would be of help to them in their maintenance of the railroad.

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BB h

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

140SFOG

SPOKANE SEPT 12-36 BERNARD BLUM

B731 C

STPAUL

B 121 YES TO YOU TODAY B 33

H M T

504P

Hold for report

40.50 So Jac.
6.08 Handling

46.58 FOB So. Jac.

15% of new.

34.94 LH FOB So Jac.
11.70 N.T. F'W So Jac to Adair Wash.

46.64 N.T. FOB Adair. Wash.

C/L F'W Rate So Jac to Adair Wn 56 + 2 E.C. cwt. 9/14/36 WCN

CLASS 11 CONTINUED

| DESCRIPTION | QUANTITY | UNIT | NEW or SH |
|---|---|---|---|
| Rivets, 5/8 x 2-1/2" Countersunk Head | 90 | Lbs. | New |
| " 3/4 x 2 ditto | 60 | " | " |
| " 3/4 x 3-1/2 ditto | 50 | " | " |
| " 7/8 x 1-3/4 ditto | 50 | " | " |
| " 7/8 x 3-1/4 ditto | 100 | " | " |
| " 7/8 x 4-1/2 ditto | 300 | " | " |
| Screws, 1/4 x 2 Lag G.P. | 150 | Each | " |
| " 1/4 x 2-1/2 do | 300 | " | " |
| " 1/4 x 3-1/2 do | 25 | " | " |
| " 3/8 x 1-1/4 do | 100 | " | " |
| " 3/8 x 7 do | 1000 | " | " |
| " 1/2 x 2 do | 2000 | " | " |

N. P. 13[redacted]
12-24

# TELEGRAM—BE BRIEF

TIME FILED
M.

8131-C

Saint Paul Sept 12 1936

H M Tremaine Spokane

Have you an extra copy your report September eighth

Coulee Dam railroad B 121

Bernard Blum

14000 tie plates. Company Price.

8.72 lbs. 7"x9" + 90° SH .15 each

6.80 lbs. 6"x8½" - 90° SH .12 "

Price F.O.B Ottawa @ 46.64 N.D.

14000 pcs 7"x9" - 90° SH - 20.28 cwt 61.04 N.D. - $2846.91.

14000 " 6"x8½" - 90° SH - 15.86 cwt 47.60 " - 2220.06.

8731 "C"

M 543

St. Paul, Minn., Sept. 19, 1936

H. H. Tremaine, District Engineer  Odair, Wash.

14,000 Pcs Second-hand 90# tie plates
6" x 8-1/2"

For delivery to Bureau of Reclamation for loan to government for railroad Odair to Coulee Dam.

IMMEDIATE DELIVERY

ee BO MD ABU AMT HRW

Chief Engineer

ED 543

St. Paul, Minn., Sept. 19, 1936

H. H. Tremaine, District Engineer Odair, Wash.

14,000 Pcs Second-hand 90# tie plates
6" x 8-1/2"

For delivery to Bureau of Reclamation for loan to government for railroad Odair to Coulee Dam.

~~MEDIATE DELIVERY~~

~~GO BY RR AND NOT BUY~~

Chief Engineer

6014

Spokane, Washington
September 8, 1936

Mr. Bernard Blum:

Coulee Dam Railroad

Please be referred to yours of August 18th enclosing file relative to the request of the U.S.Bureau of Reclamation to be furnished 14,000 tie plates for this railroad.

I may advise that on September 4th I made an inspection of this line via speeder with track guage, and met with Mr. Banks in his office on September 5th.

It is my understanding from Mr. Banks that his request only goes to that part of the railroad which was located by the Northern Pacific, and that his request is also limited to the curves on that portion. That portion of the railroad is 28.868 miles in length of which 4.178 miles are curved as follows:

| | | | | | |
|---|---|---|---|---|---|
| 2 | curves | of | 1° | total length | 3,141.6' |
| 11 | " | " | 2° | " | 11,057.5' |
| 6 | " | " | 3° | " | 7,090.0' |
| 1 | " | " | 4° | " | 772.1' |
| | | | | | 22,061.2' or 4.178 miles. |

The so-called steep grade line railroad from the end of the Northern Pacific located portion to the dam site (now extending only to the tunnel) is practically 100 percent tie plated.

The track is laid with untreated fir and pine ties running 17 to the 33-ft. rail panel. It is well enough maintained as to line and surface, except super-elevation on curves.

Tie cutting has set in, in a very small way in places found principally on some curves. There has also been some regauging required, but this regauging seems to be found principally on tangent. The tie cutting is only perceptible.

The left rail, for some reason which may not be explained, is creeping from Odair toward the dam; has probably required the cutting of the rail a total of between two and three feet. The creeping was not noticed till this year. The angle

bars are spiked in the slots as required in the Government specifications (line 28 Page 27, Ryan contract) and as the rail creeps the joint ties are slewed, pinching the track gauge and at times the spike head is drawn under the rail base. Fully 75% of the joint ties on the left rail are slewed, no others are affected. MWAK are now pulling these slotted spikes, squaring the ties and regauging. The spikes will not be replaced in the angle bar slots. This creeping is the only real track maintenance trouble now being experienced; rail anchors are being applied. I told Mr. Banks that rail creepage followed no consistent law, that when found it must be reckoned with. The MWAK Co., I am advised, bought and is applying the rail anchors.

The track has been in operation since the latter part of July, 1935. The rail creeping, of course, does not enter the plate question. The tie cutting does not per se require the application of tie plates at this time as will be discussed later.

I tested the track for guage at the approximate center of all tangents and at the approximate quarter and half points on the curve; it was not too wide but in many places I found it ¼" tight and in those places the rail in crowding had left the mark of the base on the tie.

I found the following super-elevations at the quarter and half points:

| Curve No. | Station to Station | Degree | Super-elevation Elevation - Outer rail in inches 1/4 | 1/2 | 3/4 Points |
|---|---|---|---|---|---|
| 1 | 1+43.1 - 12+43.1 | 2 | 3/4 | 1-1/8 | 1-1/8 |
| 2 | 56+23.3 - 66+64.8 | 3 | 1-3/8 | 1-3/4 | 2 |
| 3 | 100+76.1 -106+66.9 | 2 | 1-1/8 | 1-1/4 | 2-3/8 |
| 4 | 154+98.2 -159+74.9 | 2 | 3/4 | 1-3/8 | 1-1/4 |
| 5 | 322+14.6 -335+66.3 | 2 | 2-1/4 | 2-1/4 | 1-1/16 |
| 6 | 451+18.4 -456+317 | 2 | 1-1/8 | 1/2 | 1-3/8 |
| 7 | 521+11.2 -527+62.7 | 3 | 1-1/2 | 2 | 1 |
| 8 | 630+80.6 -642+70.6 | 2 | 2-3/16 | 1-3/8 | 1-1/4 |
| 9 | 742+91.9 -751+06.8 | 1 | 1-7/8 | 1-1/2 | 1 |
| 10 | 875+78.4 -885+30 | 2 | 3/8 | 1-9/16 | 7/8 |
| 11 | 1024+02.5 - 1031+37.5 | 2 | 1 | 1 | 5/8 |
| 12 | 1047+29.3 - 1060+61.8 | 2 | 2 | 1-7/8 | 2-1/8 |
| 13 | 1083+94.3 - 1104+26 | 2 | 1-3/4 | 1 | 1 |
| 14 | 1172+80.9 - 1180+15 | 2 | 1-1/2 | 1-1/4 | 1-3/8 |
| 15 | 1214+02.5 - 1233+03.6 | 3 | 1-1/4 | 3/8 | 1-7/8 |
| 16 | 1272+80.4 - 1296+07 | 1 | 1-1/8 | 1-1/8 | 1-1/8 |
| 17 | 1382+05 - 1394+66.1 | 3 | 1 | 7/8 | 2 |
| 18 | 1397+77.2 - 1409+21.1 | 3 | 1-1/4 | 3/4 | 1-3/8 |

September 8,1936

| Curve No. | Station to Station | Degree | Super-elevation Elevation-Outer rail in inches 1/4 | 1/2 | 3/4 Pts. |
|---|---|---|---|---|---|
| 19 | 1451+61.2 - 1462+22.7 | 3 | 1-3/8 | - | 1-1/2 |
| 20 | 1465+86.7 - 1473+58.8 | 4 | 1-1/4 | - | 1-3/8 |

Note: Northern Pacific recommended super-elevation for these curves at 20 MPH is as follows:

$1^{\circ}$ = 1/4", $2^{\circ}$ = 1/2", $3^{\circ}$ = 3/4", $4^{\circ}$ = 1"

You will see that the actual super-elevation is excessive.

Note: There are some tie plates on the curves, as follows: Most of these plates are without doubt part of those furnished for the steep grade line; that line has not been laid below the tunnel and it is reported will not be, so there may be a surplus of plates from that job.

| | | | | |
|---|---|---|---|---|
| Curve No. 2 - 3° | Fully plated 7" x 9" | Appr. | 1100 |
| " No. 3 - 2° | Plates on high rail only 7" x 9" | " | 600 |
| " No. 5 - 2° | is 50% plated i.e. on alternate ties " | " | 500 |
| " No.15 - 2° | Partially plated probably 100 on ground | " | 400 |
| | Unapplied | | |
| " No.17 - 3° | Fully plated 7" x 9" | " | 1300 |
| | Miscellaneous turnouts, and bridges | " | 1800 |
| | Approximate total plates on hand | | 5700 |
| | " " " " main track curves | | 3900 |

Mr. Banks request is for 14,000 plates. To tie plate all the curves in question would require about 23,000 in all and these he proposes to supply approximately as follows:

| | |
|---|---|
| From Northern Pacific | 14,000 |
| Being shipped from Owyhee job (U.S.owned) | 3,000 |
| Already applied, est. | 3,900 |
| Approximate closure - - - - - - - - | 20,900 |
| Error in estimates - - - - - - - - | - 2,100 |

There is some regauging being done now and some has been done in the past. The cause of this regauging is

not clear; it is probably due to a combination of the following reasons:

1. Fir and pine ties on new roadbed.

2. Ballast is rather coarse and may have been difficulty in ties being properly tamped and seated

3. Track may have had some low spots.

4. Track gauge 1/4" tight in many places.

5. Too much super-elevation in high rail on curves.

6. Kind of locomotive now in service.

Saddle backed Decapod purchased from Minarets & Western Logging R.R. of Fresno, California is

| | | |
|---|---|---|
| 2 - 10 - 2 | | |
| Total Weight | | 267,500 lbs. |
| Weight on drivers | | 213,000 " |
| Driving wheel base | 19'0" | |
| Total " " | 35'3" | |
| Dia. Drivers | 48" | |
| Tractive Power | | 52,800 lbs. |
| Oil burner | | |
| No Tender | | |
| Capacity of water tank (saddle back) | | 4,000 gals. |

High center gravity but could not get data thereon.

The original plans of the Bureau of Reclamation provided that the entire railroad was to be plated. The contract with David H. Ryan for its construction so provided. Mr. Banks feels that the Northern Pacific's advice turned the day against that program. MWAK Company apparently are suggesting to Mr. Banks that the plates should have been placed at the time of original construction and now offer to place them if Mr. Banks will furnish. MWAK Co. are of course aware of the plate provisions in Ryan contract.

I believe the question has been raised by MWAK Co. and recommended by Mr. Banks for following reasons, i.e. -

1. Tie Life -
Tie cutting is now not bad, it is just apparent, but undoubtedly will be progressive on the curves, if the present traffic is maintained. Mechanical wear on curves and in some tangent spots may be the determining life, as ties may average nine years before rot.
Therefore if tie life may be lengthened by application of plates, will be less maintenance costs.

MWAK Co. would not be much interested in this feature as their contract will expire before tie replacement is required in any amount

2. Track maintenance costs.
Labor maintaining plated track is less than for unplated track. MWAK Co. would here be interested.

3. Danger of derailments and delays to traffic.
I believe MWAK Co. and Mr. Banks both are apprehensive of this feature, and if the engine proves to be as hard on track as I think it is, and the track is not carefully maintained, this is a possibility.
The belief of both seems to be that tie plates on curves would be of assistance in avoiding this danger.

| | |
|---|---|
| July traffic | 1139 loads |
| August traffic | 1082 loads |

I have not, of course, discussed these things with MWAK Co., but with Mr. Banks alone.

I think that with all things in mind that the curves should be tie plated. Mr. Banks, I believe, sincerely feels that the Northern Pacific should furnish them without cost to the Bureau of Reclamation. MWAK Co. seemingly feel, that, because of the terms of Ryan contract, the Government should furnish plates for the entire railroad.

The contract of November 19,1934 between the Northern Pacific and the Bureau of Reclamation in paragraph nine recites that the Bureau "will furnish at its own expense all supplies and materials going into the railroad, except second hand rail, angle bars, switch material and tie plates for use on sharp curves". There are no curves which should be called sharp, except, perhaps, the one 4° curve No. 20-772 feet long, which shows only very nominal tie cutting but is double spiked on inside.

So while I believe that the tie plates should be applied on the curves, the question of furnishing them is purely a matter of policy. Mr. Banks is allowing his request to stand.

Mr. Banks seems to feel that he is in a little bit of a jam with MWAK over the tie plate question, this because tie plates were on the original program for the railroad. I cannot understand this thought because rail anchors were also on the original plan, and a unit price for the application thereof was included in the Ryan contract, but I am advised that the rail anchors now applied were bought by MWAK and being applied at their expense. I cannot see that the Ryan contract has anything to do with the picture, although Mr. Banks constantly referred to it. This may be because the price per mile paid to Ryan for track laying included the placing of tie plates, and although the tie plates were not furnished, Mr. Ryan was paid his full track laying price.

I cannot bring myself to believe that we are obligated to furnish these tie plates upon the record to which I have access. It is obvious from your correspondence that the sharp curves you had in mind were on the steep grade line to the dam site and not on the part located by the Northern Pacific. Obviously, the steep line railroad has been robbed of tie plates due to its not being completed, for such use as they have been put to on the line between Odair and the head of Dry Coulee.

From the MWAK Company's standpoint the practical thing to do, of course, is to secure the tie plates if they can be had without cost to them, because their maintenance costs will undoubtedly be lessened if the curves were all plated. It is impossible to say if they have a grip somewhere on the Bureau of Reclamation which will force the furnishing of the tie plates, although I cannot see by what medium the grip would be applied.

I told Mr. Banks in my opinion he should suggest the reducing of the super-elevation on the curves to a point consistent with speed, that all spikes in the slots of the angle bars should be removed, that rail anchors necessary to arrest the movement should be applied, and in some few places where the ballast cribs are empty, additional material should be supplied as an assistance in the anchorage. With these corrections of course the track will be improved.

With the placing in operation of the concrete mixing plant on the east side there will be a little increase in traffic this winter, probably 25% to 35%.

The present money available for the dam construction work will last until about July of 1937. I understand that the present MWAK Company's contract will be completed the following winter.

This report takes in a lot of territory and may seem to wander somewhat, but I have tried to bring out all the points of interest, and again I wish to say that all avenues of investigation which were opened to me led me to the conclusion that we are not obligated to furnish these tie plates, but that it is a matter of policy only.

Your file is returned herewith.

Hartmann

District Engineer

cc Mr. A.F.Stotler.

8731
C.

September 5, 1936

Mr. J. H. Miner,
Acting Construction Engineer,
Coulee Dam, Washington

Dear Sir:

Referring to your letter of August twenty-ninth, which is in answer to my letter of August twelfth to Mr. Harper about the Government's track serving the Coulee Dam.

I had previously asked Mr. Tremaine to confer with Mr. Banks on this matter and note that he received copy of your letter. I presume you sent him a copy of the statement giving recheck of super-elevation from Odair to Grand Coulee listing 28 curves.

In the last paragraph of my letter of August twelfth to Mr. Harper I raised a question about the super-elevation. The figures which you present show that the super-elevation which you now have corresponds to speeds as high as 45 miles per hour. Balanced elevation to correspond to 20 miles per hour for one degree curve is 1/4"; for two degrees 1/2"; for three degrees 3/4", and four degrees 1". Apparently super-elevation for speed of 20 miles per hour, and not to exceed 25 miles per hour, would be satisfactory.

In general I would say that your super-elevation for your service appears to be nearly twice as great as necessary. Excessive super-elevation, in general, may be said to cause more maintenance difficulties than lack of super-elevation. It places a greater load on the low rail than on the high rail and tends to prevent slippage of wheels on the low rail in negotiating the curves.

In regard to the unequal creeping. I have to some extent observed similar conditions elsewhere, and in other cases have been told about the creeping of one rail east and the opposite rail west although, as you state, it is a very unusual condition.

Mr. Tremaine is to confer with you in this matter and I think it would be well to await his report.

Yours truly,

BB:h
cc Mr. S. O. Harper
Mr. H. M. Tremaine

8214

September 5, 1936

Mr. J. H. Miner,
Acting Construction Engineer,
Coulee Dam, Washington

Dear Sir:

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I had previously asked Mr. Tremaine to confer with Mr. Banks on this matter and note that he received copy of your letter. I presume you sent him a copy of the statement giving recheck of super-elevation from Odair to Grand Coulee listing 28 curves.

In the last paragraph of my letter of August twelfth to Mr. Harper I raised a question about the super-elevation. The figures which you present show that the super-elevation which you now have corresponds to speeds as high as 45 miles per hour. Balanced elevation to correspond to 30 miles per hour for one degree curve is 1/4"; for two degrees 1/2"; for three degrees 3/4", and four degrees 1". Apparently super-elevation for speed of 20 miles per hour, and not to exceed 25 miles per hour, would be satisfactory.

In general I would say that your super-elevation for your service appears to be nearly twice as great as necessary. Excessive super-elevation, in general, may be said to cause more maintenance difficulties than lack of super-elevation. It places a greater load on the low rail than on the high rail and tends to prevent slippage of wheels on the low rail in negotiating the curves.

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Mr. Tremaine is to confer with you in this matter and I think it would be well to await his report.

Yours truly,

BB:h
cc Mr. S. O. Harper
Mr. H. M. Tremaine

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
COULEE DAM, WASHINGTON

4107

August 29, 1936

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway Company
St. Paul, Minnesota

Subject: U. S. Construction Railroad,
Odair to Coulee Dam, Washington.

Dear Sir:

Reference is made to your letter of August 12, 1936, to the Acting Chief Engineer at Denver which has been referred to this office for the information requested in the last paragraph.

The track of the railway was originally surfaced by the construction contractor to give superelevation for a speed of twenty-five miles per hour on the section between Odair and the siding at the head of the Coulee, and for a speed of fifteen miles per hour on the section with steeper grades and sharper alignment between the latter and the dam site. It was thought that the superelevation given would require minimum adjustment later to meet operating conditions. A field check of the existing superelevation on the first twenty-eight miles of the line was made on August 24th. The observed superelevation is shown on the appended tabulation.

With regard to the normal operating speed of trains and the creeping of the tracks the following extract from our inspector's report made on August 24, 1936, is quoted herewith:

"The average speed of the train for the last two weeks, taken from M.W.A.K. records, shows that it takes one hour and forty-five minutes from Odair north towards Electric City, or an average of approximately sixteen miles per hour with the loads, and one hour and thirty minutes returning with the empty train at an average speed of approximately eighteen miles per hour; probable maximum speed 22 to 25 miles per hour."

The inspector has also noted what we believe to be a rather unusual development; namely, an unequal creeping of the two track

rails. He states:

"The creeping of the left or west rail presents a very peculiar problem. This rail shows movement towards the dam over approximately the entire line, while the right or east rail shows no movement. The joint ties are pulled at a very sharp angle and in some cases split. Track foreman told me he cut eighteen inches out of the track at Dry Lake and eight inches at another point. He is pulling slot spikes in angle bars to save joint ties. Additional rail anchors must be installed before next summer or the track will have a side movement. The shoulders at end of ties have held the track to date."

We presume that this development may be ascribed either to variation in diameter of drive wheels on opposite sides of the locomotive, or possibly to some other lack of adjustment in the locomotive. We are expecting a visit from District Engineer Tremaine early next week with reference to the matter of the proposed additional tie plates, and hope to have his suggestions for remedying this difficulty. A copy of this letter is being sent to Mr. Tremaine.

If there should be any additional information which you desire regarding the Construction Railroad to the dam, we will be glad to furnish it upon request.

Very truly yours,

J. H. Miner

J. H. Miner
Acting Construction Engineer

Encl.
cc - Mr. Tremaine, Spokane

N. P. File No. 8731-C

DEFENDANT'S EXHIBIT 4106

Government Railway

Recheck superelevation - Odair to Grand Coulee

August 24, 1936

Page 81 - Book of Rules
Bal Elev - 20 MPH

| Curve Location | | | | Super-elevation | | |
|---|---|---|---|---|---|---|
| Mile | Degree Curve | Station | Station | Max. | Bal Elev MPH | Min. |
| 1 | 3° | 56/23.3 | 66/64.4 | 1 3/4" | 36 | 1 1/2" |
| 2 | 2° | 100/76.1 | 106/66.9 | 2 1/4" | 40 | 1 1/2" |
| 3 | 2° | 154/98.2 | 159/74.9 | 1 1/4" | 30 | 1 1/4" |
| 7 | 2° | 322/14.6 | 335/66.3 | 2 1/2" | 43 | 1 3/4" |
| 9 | 2° | 451/18.4 | 456/31.7 | 1 3/4" | 35 | --- |
| 10 | 3° | 521/11.2 | 527/62.3 | 1 3/4" | 30 | --- |
| 13 | 2° | 630/80.6 | 642/70.6 | 1 3/4" | 35 | 1 1/4" |
| 15 | 1° | 742/91.8 | 751/06.8 | 1 1/2" | 45 | 1 1/2" |
| 17 | 2° | 875/78.1 | 885/30.0 | 1 1/2" | 33 | 1 " |
| 20 | 2° | 1024/07.5 | 1031/87.5 | 1 1/4" | 30 | 1 " |
| 20 | 2° | 1047/29.3 | 1060/61.8 | 1 3/4" | 35 | 1 1/4" |
| 21 | 2° | 1083/94.3 | 1104/26.0 | 1 1/2" | 33 | 1 " |
| 23 | 2° | 1172/80.9 | 1180/15.1 | 1 1/2" | 33 | 1 " |
| 24 | 3° | 1214/02.5 | 1233/03.6 | 2 " | 33 | 1 1/2" |
| 25 | 1° | 1272/80.4 | 1296/07.0 | 1 1/2" | 45 | 1 " |
| 27 | 3° | 1382/05.0 | 1394/66.1 | 1 1/2" | 28 | 1 " |
| 27 | 3° | 1397/77.2 | 1409/21.1 | 1 " | 23 | 1 " |
| 28 | 3° | 1451/61.0 | 1462/52.9 | 1 1/2" | 28 | --- |
| 28 | 4° | 1465/86.7 | 1473/58.8 | 1 1/2" | 25 | --- |

N.P. File No. 8731-C

DEFENDANT'S EXHIBIT 4105

8731-C

NOTED
H. E. S.
D. M. D. ✓
T. K. Y.
E. L. E.
R. D. V.

Spokane, Washington
August 22, 1936

Mr. Bernard Blum:

Yours of August 18, enclosing file about request of the Bureau of Reclamation for 14,000 tie plates for curves on the government railroad between Odair and Coulee Dam.

Mr. Banks is now absent on what seems to be a trip which will take him at least another week, and I will see him promptly on his return.

District Engineer

HMT-K

cc Mr. Stotler

Mr Stevens

Pls note

8/29 B.B

B.

Stotler 1937

AUG 31 '36

OFFICE OF CHIEF ENGINEER
AUG 25 1936
NOR. PAC. RY.
ST. PAUL, MINN.

8731 J
4104

Saint Paul, Minn.,
August 18, 1936

Mr. H. M. Tremaine:

Mr. Stevens tells me that he talked to you about request of the Bureau of Reclamation for 14,000 tie plates for curves on the Government railroad between Odair and the Coulee Dam.

I am handing you herewith my file and I think the suggestion that you call on Mr. Banks to see if you cannot handle the matter with him, is a good idea.

I have in mind that there may be something wrong with their super-elevation which may cause the trouble complained of by Mr. Harper. Certainly we should not be asked to contribute 14,000 tie plates. I promised to furnish sufficient plates to take care of sharp curves between the Head of the Dry Coulee and the dam site. It may be that we did not furnish sufficient plates to take care of that promise. If you feel that they are entitled to some additional plates on that part of the line under my promise, please advise in detail.

Please return my file when it has served your purpose.

I think this should be acted upon reasonably soon.

BB:h

cc Mr. A. F. Stotler

8731 C

On Rocky Mountain Division,
August 16, 1936.

4403
4014

MR. BERNARD BLUM:

Your letter of the twelfth enclosing copy of letter from Mr. Harper about his request that we furnish the Reclamation Service with 14,000 additional tie plates for the Government railroad between Odair and Coulee Dam.

As stated in my letter of June 18, 1934, I think it was a concession on our part to furnish any metal except rail and angle bars. It is certainly a far stretch of the word "fastenings" to consider it as including tie plates.

However, it is now definitely stipulated in the contract that we will furnish tie plates for sharp curves. I cannot conceive of requiring 14,000 tie plates to take care of the sharp curves as there is very little sharp curvature between Odair and the head of the coulee, and very little traffic between the head of the coulee and the dam site.

I suggest you ask Mr. Tremaine to call on Mr. Banks and see if he cannot handle the matter in a way which will not offend Mr. Banks and relieve us of an expense we ought not be asked to assume.

8731 C
402 1

Saint Paul, Minnesota,
August 12th, 1936

Mr. H. E. Stevens:

I have a letter from Mr. S. O. Harper of the Reclamation Bureau, copy attached, about furnishing the Government 14,000 tie plates for curves on the Government Railroad. I am writing Mr. Harper as per attached copy of letter of this date.

It may be that they have too much super-elevation on their curves which is causing trouble under the heavy cement loads.

It seems to me rather an imposition to expect the Northern Pacific to furnish this material on a job that may cost several hundred million dollars before they are through. We can furnish the plates from stock but I am not willing to recommend that we do so free of charge. It seems to me that the record, according to the letters which I have quoted, very definitely indicates that we made no promise to furnish tie plates for all curves, in fact we refused to do so when the matter first came up.

In view of the question of policy involved with the Government and the importance of this job to the Northern Pacific, I have left the way open to furnish the material if you deem it advisable to do so. Will you kindly advise your wishes in the matter.

BB h

Mr. S. O. Harper No. 2

"In regard to tie plates which you mention in your letter: I agreed with Mr. Banks, and also mentioned it to Mr. Walter while at Spokane several weeks ago, that the Northern Pacific would furnish a limited number of tie plates for sharp curves on that portion of the Government line between the Head of the Grand Coulee and the dam site. The curves on the railroad between Odair and the Head of the Grand Coulee, which was located by the Northern Pacific, are all very light, three degrees I believe being the maximum."

It was my opinion that tie plates would be found unnecessary on such curves on account of the temporary nature of the railroad.

I am reviewing these letters for the purpose of indicating that the question of tie plates was quite definitely considered prior to the time of construction.

However, I will look into the matter further and in the meantime I would like to raise a question as to the super-elevation that is given to the various degree curves and what the normal speed is of the trains operating over this line. It may be that the amount of super-elevation warrants some adjustment.

Yours very truly,

BB h

cc Mr. H. E. Stevens

August 12, 1936

Mr. S. O. Harper,
Acting Chief Engineer,
U.S. Dept. of Interior,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Sir:

Acknowledging your letter of the sixth in regard to the matter of tie plates on the Government Railroad between Odair and Coulee Dam, Washington.

I recall some discussion about the question of tie plates and have reviewed my file. I find that under date of June 16, 1934 you wrote Mr. H. E. Stevens, our Vice President, which followed conference he had with you and Mr. Walter in Denver. In your letter of June 16th you referred to Mr. Stevens definition of the word "fastenings" in the draft of agreement relating to the construction of the Government Railroad. Mr. Stevens sent me copy of your letter, and under date of June 18, 1934 wrote me as follows:

> "I do not think we should be asked to furnish tie plates or rail anchors. They certainly could not be construed as a part of the standard fastenings for rail, in fact I told them I did not think tie plates would be necessary and it was my recollection they agreed that would be the case."

It may be that the question of tie plates and rail anchors came up after Mr. Banks requested the Northern Pacific to furnish the rail and fastenings for the extension of the Railroad from the head of the canyon down to the damsite. While that portion of the line was not a part of the original proposition, it was agreed that the Railroad Company would furnish the rail and fastenings for that extension and it is quite logical to assume that the question of rail anchors came up on account of the steep grade on that part of the line and also due to the sharp curves necessary on account of the character of the location.

Under date of July 5, 1934 I wrote you, in answer to your letter of July 3rd to me, as follows:

4101

August 12, 1936

Mr. S. O. Harper,
Acting Chief Engineer,
U.S. Dept. of Interior,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Sir:

Acknowledging your letter of the sixth in regard to the matter of tie plates on the Government Railroad between Odair and Coulee Dam, Washington.

I recall some discussion about the question of tie plates and have reviewed my file. I find that under date of June 16, 1934 you wrote Mr. H. E. Stevens, our Vice President, which followed conference he had with you and Mr. Walter in Denver. In your letter of June 16th you referred to Mr. Stevens definition of the word "fastenings" in the draft of agreement relating to the construction of the Government Railroad. Mr. Stevens sent me copy of your letter, and under date of June 18, 1934 wrote me as follows:

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Mr. S. O. Harper No. 2

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It was my opinion that tie plates would be found unnecessary on such curves on account of the temporary nature of the railroad.

I am reviewing these letters for the purpose of indicating that the question of tie plates was quite definitely considered prior to the time of construction.

However, I will look into the matter further and in the meantime I would like to raise a question as to the super-elevation that is given to the various degree curves and what the normal speed is of the trains operating over this line. It may be that the amount of super-elevation warrants some adjustment.

Yours very truly,

MB h

cc Mr. H. E. Stevens

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

4100

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF THE CHIEF ENGINEER

August 6, 1936.

Mr. Bernard Blum,
Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Sir:

F. A. Banks, construction engineer in charge of Grand Coulee Dam, reports that a recent inspection of the government railroad between Odair and Coulee Dam, Washington, has revealed that the outer rail on curves is crushing ties and moving out. In order to avoid derailments and other accidents he has recommended that tie-plates be placed on all curves on the line where they have not heretofore been installed.

You will no doubt recall that about the time the agreement, which provided for the furnishing of rails and track material by the Northern Pacific Railway Company, was being prepared, there was some correspondence between this office and your company relative to the amount of other track material besides rails that was to be furnished by the Railway Company. It is believed that our engineers considered tie plates should have been provided for the entire line, and that the provision in the agreement for "tie-plates for sharp curves" was based upon your recommendation.

It appears that there was also some correspondence between your office and Mr. Banks on the subject of tie-plate requirements so that there is some question as to whether or not the files of this office contain a complete record of the matter.

I shall appreciate your views on this subject and the consideration of the Railway Company toward furnishing the 14,000 additional tie-plates which Mr. Banks estimates will be required.

Very truly yours,

S. O. Harper
Acting Chief Engineer

COPY

U. S. Department of the Interior

Bureau of Reclamation

Customhouse

Denver, Colorado,
August 6, 1936

Mr. Bernard Blum,
Chief Engineer,
Northern Pacific Ry. Co.,
Saint Paul, Minnesota

Dear Sir:

F. A. Banks, construction engineer in charge of Grand Coulee Dam, reports that a recent inspection of the government railroad between Odair and Coulee Dam, Washington, has revealed that the outer rail on curves is crushing ties and moving out. In order to avoid derailments and other accidents he has recommended that tie plates be placed on all curves on the line where they have not heretofore been installed.

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It appears that there was also some correspondence between your office and Mr. Banks on the subject of tie plate requirements so that there is some question as to whether or not the files of this office contain a complete record of the matter.

I shall appreciate your views on this subject and the consideration of the Railway Company toward furnishing the 14,000 additional tie plates which Mr. Banks estimates will be required.

Very truly yours,

(sgd) S. O. Harper
Acting Chief Engineer.

873.16 CHIEF ENGINEER

Symbol 11r-804

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington
- - - - - -

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November, 1934, in pursuance to the Act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between the UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by HAROLD L. ICKES, Secretary of the Interior (herein styled the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee Dam and power plant of the Columbia Basin project, in the State of Washington, and as a part of such work, proposes to construct a standard gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee Dam and power plant (herein styled the Contractor) will operate and maintain the construction railroa

after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from the connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the rail road and will perform the necessary work of construction, and will

furnish, at its own expense all supplies and materials going into the railroad, except secondhand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans specifications and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable secondhand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States..

12. The following maximum rates in cents per hundredweight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington, to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

| | | | |
|---|---|---|---|
| Irvin | 13¢ | Concrete | 17¢ |
| Metaline Falls | 17¢ | Seattle | 17¢ |
| Bellingham | 17¢ | Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the established commercial freight rates applicable from Portland, Oregon, over existing routes, less land-grant deduction, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 18¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States, If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from

said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on the cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States, but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B.T. Jones Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof, including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear expected.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. The Contractor for operation of the railroad, as referred to in Article 13, shall furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and

equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen percent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear expected, promptly on completion of the Grand Coulee Dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this portion shall not be construed to extend to this contract if made with a corporation for its general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

BY _____
Secretary of the Interior.

(Seal) Attest:

_____
Secretary

NORTHERN PACIFIC RAILWAY COMPANY

BY _____

CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington.

---

Contract between United States of America, Northern Pacific Railway Company, Silas Mason Company, Inc., Walsh Construction Company, and Atkinson-Kier Company, in the matter of the use, operation and maintenance of the construction railroad from Odair Washington, to the Grand Coulee Dam site.

This Contract made this 19th day of November, 1934, in pursuance of the Act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between the UNITED STATES OF AMERICA (herein styled the United States), represented by the contracting officer executing this contract; the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation (herein styled the Company) having its principal place of business at St.Paul, Minnesota; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California (herein styled collectively the Contractor), having its and their principal places of business at New York, New York, Davenport, Iowa and San Francisco, California, respectively )with joint office at Spokane, Washington).

WITNESSETH:

2. WHEREAS, the United States and the Company, under date of November 19, 1934 (Smybol-No. 11R-804), entered into a contract covering the construction, maintenance, and operation of a construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, for the purpose of transporting construction materials to the dam site, a copy of said contract being attached hereto, marked Exhibit A, and made a part hereof; and

3. WHEREAS, it is provided in paragraph 51 of Specifications No. 570, made a part of contract dated July 16, 1934, with the Contractor

(Symbol-No. 12r-4359), that the Contractor will operate and maintain the railroad after its completion; and

4. WHEREAS, as the condition to such operation and maintenance of the railroad by the Contractor, it is required that the Contractor shall among other things, agree in writing, with the United States and the Company to observe the terms and conditions of the said contract dated November 19, 1934, as there made applicable to the use, operation and maintenance of the railroad.

5. NOW, THEREFORE, In consideration of the premises and the covenants and conditions herein contained, it is agreed between the parties as follows:

6. The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of the said contract dated November 19, 1934, and hereby expressly assumes the obligations of Articles 13 to 19 inclusive, thereof in the place and stead of the United States, and the Contractor shall indemnify the Company from any and all claims or demands for injuries to or death of any and all persons whomsoever and for damage to property caused, or alleged to have been caused, by defects in cars and equipment owned by the Company, and cars and equipment of others for which the Company is responsible irrespective of the cause of such defects.

7. The Company will recognize the Contractor in the place and stead of the United States as solely liable to the Company (a) in the use, operation and maintenance of the railroad and (b) for any breach of the obligations undertaken by the United States under Articles 13 to 19, inclusive, of the said contract dated November 19, 1934, provided, that should the Contractor during the continuance of the said contract dated July 16, 1934, fail or refuse to carry out the obligations so assumed, the United States shall resume such obligations upon notice in writing from the Company.

8. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

BY _____
Chief Engineer
Bureau of Reclamation.

(Seal) Attest:

_____
Secretary

NORTHERN PACIFIC RAILWAY COMPANY

BY _____

Title _____

(Seal) Attest:

_____
Secretary

SILAS MASON COMPANY, Inc.,

BY _____

Title _____

(Seal) Attest:

_____
Secretary

WALSH CONSTRUCTION COMPANY

BY _____

Title _____

Witness:

_____

ATKINSON-KIER COMPANY

BY _____
Member of Firm

COPY

#099 8731 C

NORTHERN PACIFIC RAILWAY COMPANY

Western District

Statement of material furnished U.S. Government at Odair, Wash., October 1, 1935 under contract dated November 19, 1934.

| | | | |
|---|---|---|---|
| NP 61175 | 2013 LF 3-B-90# Rail | | |
| | 26.9599 GT | 20.00 GT | 539.20 |

Office of Distrit Accountant,
Tacoma, Wash., Nov. 18, 1935

FWS-1
File-4

Received
3/12/36

8731 C

Dec. 16934

Saint Paul, Minnesota,
September 11, 1935.

Mr. H. E. Stevens, Vice President
Mr. F. W. Sweney, Comptroller (3)
Mr. E. R. Wales, District Accountant, Tacoma
Mr. J. L. Watson, Right of Way Commissioner
Mr. V. E. Williams, Western R/W Agent, Seattle
Mr. E. A. McCrary, Tax Commissioner
Mr. W. C. Smith, Ass't Tax Commissioner, Seattle
Mr. R. W. Clark, General Traffic Manager
Mr. J. L. Burnham, Western Traffic Manager, Seattle
Mr. J. J. McManus, Freight Claim Agent
Mr. W. C. Sloan, General Manager, Seattle
Mr. J. H. Johnson, Superintendent, Spokane
Mr. P. H. McCauley, Gen'l Sup't Transportation
Mr. M. G. Crawford, Ass't Gen'l Sup't Transp'n, Seattle
Mr. T. J. Joyce, Car Accountant
Mr. C. H. Goodhue, Manager Mail Traffic
Mr. E. E. Dilding, Superintendent Telegraph
Mr. Silas Zwight, Gen'l Mechanical Superintendent
Mr. F. G. Moody, Master Car Builder
Mr. Bernard Blum, Chief Engineer
Mr. A. F. Stotler, Ass't Chief Engineer, Seattle
Mr. H. M. Tremaine, District Engineer, Spokane
Mr. R. E. Keck, General Claim Agent

Herewith copy of agreement dated November 19, 1934, between United States of America, Silas Mason Company, Inc., Walsh Construction Company, Atkinson-Kier Company, and Nor. Pac. Ry. Co., covering use, operation and maintenance of construction railroad from Odair, Washington, to Grand Coulee Dam site.

Please acknowledge receipt on the enclosed form.

A. M. Gottschald,
Assistant Secretary.

RECORD MADE IN
DRAFTING ROOM ST. PAUL

| | |
|---|---|
| STA. PLAT ✓ | TRACK PROFILE ✓ |
| R/W. MAP | COND. PROFILE |
| RAIL PLAT | R. & B. CHART |
| TRK. RECORD | BLDG. RECORD |
| BY F.Y. | DATE 9-17-35 |

PAL

L S
PAL
9/15
B.B

UNITED STATES I2r-5053
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

Contract between United States of America, Northern Pacific Railway Company, Silas Mason Company, Inc., Walsh Construction Company, and Atkinson-Kier Company, in the matter of the use, operation and maintenance of the construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

This Contract made this 19th day of November, 1934, in pursuance of the Act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, DFL BB RWC between THE UNITED STATES OF AMERICA (herein styled the United States), represented by the contracting officer executing this contract; the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation (herein styled the Company), having its principal place of business at St. Paul, Minnesota; and the SILAS MASON COMPANY, Inc., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California (herein styled collectively the Contractor), having its and their principal places of business at New York, New York, Davenport, Iowa, and San Francisco, California, respectively (with a joint office at Spokane, Washington).

WITNESSETH:

2. WHEREAS, the United States and the Company, under date of November 19, 1934 (Symbol-No. I1r-804), entered into a contract covering the construction, maintenance, and operation of a construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, for the purpose of transporting construction materials to the dam site, a copy of said contract being attached hereto, marked Exhibit A, and made a part hereof; and

3. WHEREAS, it is provided in paragraph 51 of Specifications No. 570, made a part of contract dated July 16, 1934, with the Contractor (Symbol-No. I2r-4359), that the Contractor will operate and maintain the railroad after its completion; and

4. WHEREAS, as a condition to such operation and maintenance of the railroad by the Contractor, it is required that the Contractor shall, among other things, agree, in writing, with the United States and the Company to observe the terms and conditions of the said contract dated November 19, 1934, as there made applicable to the use, operation and maintenance of the railroad.

5. NOW, THEREFORE, In consideration of the promises and the covenants and conditions herein contained, it is agreed between the parties as follows:

6. The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of said contract

dated November 19, 1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof in the place and stead of the United States, and the Contractor shall indemnify the Company from any and all claims or demands for injuries to or death of any and all persons whomsoever and for damage to property caused, or alleged to have been caused, by defects in cars and equipment owned by the Company, and cars and equipment of others for which the Company is responsible, irrespective of the cause of such defects.

7. The Company will recognize the Contractor in the place and stead of the United States as solely liable to the Company (a) in the use, operation and maintenance of the railroad and (b) for any breach of the obligations undertaken by the United States under Articles 13 to 19, inclusive, of the said contract dated November 19, 1934; provided, that should the Contractor during the continuance of the said contract dated July 16, 1934, fail or refuse to carry out the obligations so assumed, the United States shall reassume such obligations upon notice in writing from the Company.

8. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

By S. O. Harper,
Acting Chief Engineer
Bureau of Reclamation.

Attest:

A. M. Gottschald,
Assistant Secretary.

NORTHERN PACIFIC RAILWAY COMPANY

By Charles Donnelly,
Title - President.

(SEAL)

Attest:

A. W. Granger,
Assistant Secretary.

SILAS MASON COMPANY, INC.

By John J. Watts,
Title - Vice President.

(SEAL)

Attest:

M. A. Kennedy,
Secretary.

WALSH CONSTRUCTION COMPANY

By T. J. Walsh,
Title - President.

(SEAL)

Witness:

C. D. Riddle.

ATKINSON-KIER COMPANY

By Guy F. Atkinson,
Member of Firm.

Approved:

Elwood Mead,
Commissioner, Bureau of Reclamation.

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, A. M. Gottschald, certify that I am the Assistant Secretary of the corporation named as Company herein; that Charles Donnelly, who signed this contract on behalf of said Company, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL)

A. M. GOTTSCHALD

- - - - - -

CERTIFICATE AS TO EXECUTION BY
SILAS MASON COMPANY, INC.

I, A. W. Granger, certify that I am the Assistant Secretary of one of the corporations name collectively as Contractor herein; that John J. Watts, who signed this contract in behalf of said Contractor, was then Vice President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL)

A. W. GRANGER

- - - - - -

CERTIFICATE AS TO EXECUTION BY
WALSH CONSTRUCTION COMPANY

I, M. A. Kennedy, certify that I am the Secretary of one of the corporations named collectively as Contractor herein; that T. J. Walsh, who signed this contract in behalf of said Contractor, was then President, of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

M. A. KENNEDY

(SEAL)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

ASSENT OF SURETY

Know All Men by These Presents, That we, THE AETNA CASUALTY AND SURETY COMPANY, a Connecticut corporation; AMERICAN SURETY COMPANY OF NEW YORK, a New York Corporation; COLUMBIA CASUALTY COMPANY, a New York corporation; CONTINENTAL CASUALTY COMPANY, an Indiana corporation; THE FIDELITY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Maryland corporation; FIREMAN'S FUND INDEMNITY COMPANY, a California corporation; GENERAL CASUALTY COMPANY OF AMERICA, a Washington corporation; GLENS FALLS INDEMNITY COMPANY, a New York corporation; GLOBE INDEMNITY COMPANY, a New York corporation; GREAT AMERICAN INDEMNITY COMPANY, a New York corporation; HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut corporation; MARYLAND CASUALTY COMPANY, a Maryland corporation; MASSACHUSETTS BONDING AND INSURANCE COMPANY, a Massachusetts corporation, NATIONAL SURETY CORPORATION, a New York corporation; NEW AMSTERDAM CASUALTY COMPANY, a New York corporation; NEW YORK CASUALTY COMPANY, a New York corporation; PACIFIC INDEMNITY COMPANY, a California corporation; ROYAL INDEMNITY COMPANY, a New York corporation; STANDARD ACCIDENT INSURANCE COMPANY, a Michigan corporation; STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; and UNITED STATES FIDELITY AND GUARANTY COMPANY, a Maryland corporation, as sureties on the performance bond dated the fourteenth day of September, 1934, given to THE UNITED STATES OF AMERICA by the SILAS MASON COMPANY, INC., a New York corporation; the WALSH CONSTRUCTION COMPANY, an Iowa corporation; and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L.Kier, of San Francisco, California; jointly and severally as principal, under that certain contract dated the 16th day of July, 1934 (Symbol-No. 4359), for construction of the Grand Coulee Dam and Power Plant, Columbia Basin Project, Washington, do hereby assent to that certain contract entered into the 19th day of November, 1934 (Symbol-No.I2r-5053), between THE UNITED STATES OF AMERICA, the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California, in the matter of the use, operation and maintenance by the SILAS MASON COMPANY, INC., the WALSH CONSTRUCTION COMPANY, and the ATKINSON-KIER COMPANY, of the construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as more particularly set out in said contract.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this 11th day of May, 1934, the name and corporate seal of each party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

THE AETNA CASUALTY AND SURETY COMPANY
By H. F. O'Malley,
Title - Res. Vice President.
Edgar Hetherington,
(SEAL) Res. Assistant Secretary.

AMERICAN SURETY COMPANY OF NEW YORK,
By E. F. Watson,
Title - Vice President.
Attest:
H. H. Simpson,
(SEAL) Assistant Secretary.

COLUMBIA CASUALTY COMPANY,
By W. E. Snyder,
Title - Attorney in Fact.
(SEAL)

CONTINENTAL CASUALTY COMPANY,
By R. C. Feldsmith,
Title - Attorney-In-Fact.
(SEAL)

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK
By Hale Anderson,
Title - Vice President.

Attest - C. P. Godley,
Attorney.
(SEAL)

FIDELITY AND DEPOSIT COMPANY OF MARYLAND
By John N. Kessler, Jr.
Title - Attorney In Fact.

Attest: John E. M. Salley,
Attorney in Fact.
(SEAL)

FIREMAN'S FUND INDEMNITY COMPANY
By R. F. MORTON,
Title - Attorney In Fact.

H. E. Corcoran,
Attorney In Fact.
(SEAL)

GENERAL CASUALTY COMPANY OF AMERICA
By Robt. E. Emslie,
Title - Attorney-In-Fact
(SEAL)

GLENS FALLS INDEMNITY COMPANY
By R. J. MacCann,
Title - Attorney.
(SEAL)

GLOBE INDEMNITY COMPANY
By H. Rankin,
Title - Attorney-In-Fact.

A. C. Hoffman,
Assistant Secretary.
(SEAL)

GREAT AMERICAN INDEMNITY COMPANY
By Edward C. Lunt,
Title - Vice President.

Geo. A. Peterson,
Assistant Secretary.
(SEAL)

HARTFORD ACCIDENT AND INDEMNITY COMPANY
By J. J. O'Loughlin,
Title - Resident Vice-President.

(SEAL) S. Capotosto, Resident Ass't Secretary.

MARYLAND CASUALTY COMPANY
By James J. Lucy,

(SEAL) Title - Attorney In Fact.

MASSACHUSETTS BONDING AND INSURANCE COMPANY
By Frederick O. Beattie,
Title - Attorney-In-Fact.

(SEAL) Val White, Attorney-In Fact.

NATIONAL SURETY CORPORATION
By A. M. Clark,
Title - Vice President.

(SEAL) Attest: C. A. Keppler, Assistant Secretary.

NEW AMSTERDAM CASUALTY COMPANY
By S. L. Dunseith,
Title - Vice President.

(SEAL) Attest: Wm. W. LaPorte, Assistant Secretary.

NEW YORK CASUALTY COMPANY
By E. F. Watson,
Title - Vice President.

(SEAL) Attest: H. H. Simpson, Ass't Secretary.

PACIFIC INDEMNITY COMPANY
By Frederick O. Beattie,

(SEAL) Title - Attorney-In-Fact.

ROYAL INDEMNITY COMPANY
By August Westphal,
Title - Resident Vice President.

J. P. Huntting,

(SEAL) Assistant Secretary.

STANDARD ACCIDENT INSURANCE COMPANY
By Welles L. Allen,

M.B.Parkhurst, Resident Ass't Secy.

(SEAL) Title - Resident Vice-President.

STANDARD SURETY & CASUALTY CO. OF NEW YORK
By John R. English,
Title - Vice President.

Walter E. Makosky,

(SEAL) Asst. Secretary.

UNITED STATES FIDELITY AND GUARANTY COMPANY
By Philip Saffer,
Title - Attorney-In-Fact.

Attest: S. Frank Hedges,
Attorney-In-Fact.

(SEAL)

Exhibit "A"

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation (Symbol Ilr-804)
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

- - -

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November, DFL 1934, in pursuance of the act of Congress of June 16, 1933 BB (48 Stat. 196), known as the National Industrial Recovery Act, RWC between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by Harold L. Ickes, Secretary of the Interior (herein styled the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail andfastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad to extend from Odair, Washington, on the Washington

Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

12. The following maximum rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills-of-lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the established commercial freight rates applicable from Portland, Oregon, over existing routes, less land-grant deduction, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 18¢ |
| From Coeur d'Alene, Idaho, | 14¢ |
| From Spokane, Washington, | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. The United States having heretofore under date of July 16, 1934, entered into a contract (Symbol No.12r-4359) with Silas Mason Company, Inc., a New York corporation, the Walsh Construction Company, an Iowa corporation, and the Atkinson-Kier Company, a partnership consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier and Elmer L. Kier of San Francisco, California (for convenience now styled collectively the Contractor), wherein it is provided in paragraph 51 of Specifications No. 570, made a part of the said contract, that the Contractor will operate and maintain the railroad after its completion, the Contractor will be required to provide reasonable service thereunder for handling the business of the United States and others during the period of the said contract.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States, but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B. T. Jones, Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear excepted.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. The Contractor for operation of the railroad, as referred to in Article 13, shall furnish the Company with an indemnify agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen per cent to cover superintendent and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,
By Harold L. Ickes,
Secretary of the Interior.

(SEAL)

Attest:
A. M. Gottschald,
Assistant Secretary.

NORTHERN PACIFIC RAILWAY COMPANY
By Charles Donnelly,
Title - President.

(SEAL)

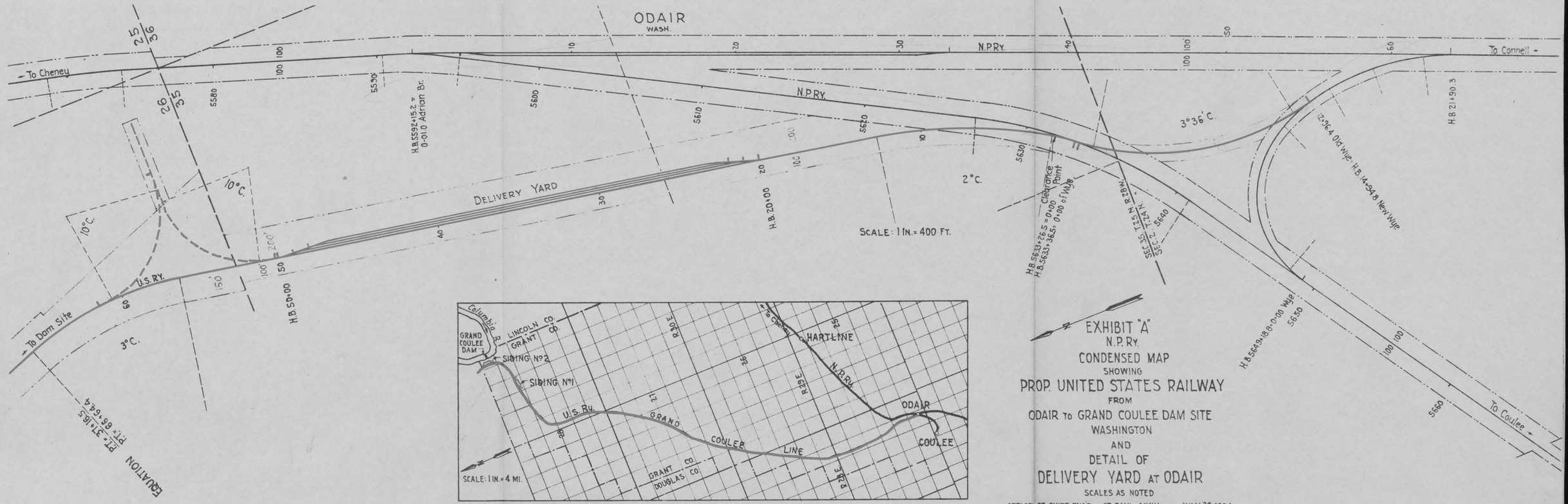






EXHIBIT "A"
N.P. Ry.
CONDENSED MAP
SHOWING
# PROP. UNITED STATES RAILWAY
FROM
ODAIR to GRAND COULEE DAM SITE
WASHINGTON
AND
DETAIL OF
## DELIVERY YARD AT ODAIR
SCALES AS NOTED
OFFICE OF CHIEF ENGR. ST. PAUL, MINN. JULY 28, 1934.
Tracks to be constructed by United States shown ——

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, A. M. Gottschald, certify that I am the Assistant Secretary of the corporation named as Company herein; that Charles Donnelly who signed this contract on behalf of said Company, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authorityof its governing body, and is within the scope of its corporate powers.

A. M. GOTTSCHALD.

(SEAL)

8731-C

Doc. 16503

Saint Paul, Minnesota,
September 11, 1935.

Mr. H. E. Stevens, Vice President
Mr. F. W. Sweney, Comptroller (3)
Mr. E. R. Weles, District Accountant, Tacoma
Mr. J. L. Watson, Right of Way Commissioner
Mr. V. E. Williams, Western R/W Agent, Seattle
Mr. E. A. McCrary, Tax Commissioner
Mr. W. C. Smith, Ass't Tax Commissioner, Seattle
Mr. R. W. Clark, General Traffic Manager
Mr. J. L. Burnham, Western Traffic Manager, Seattle
Mr. J. J. McManus, Freight Claim Agent
Mr. W. C. Sloan, General Manager, Seattle
Mr. J. H. Johnson, Superintendent, Spokane
Mr. P. H. McCauley, Gen'l Sup't Transportation
Mr. M. G. Crawford, Ass't Gen'l Sup't Transp'n, Seattle
Mr. T. J. Joyce, Car Accountant
Mr. C. H. Goodhue, Manager Mail Traffic
Mr. E. E. Dildine, Superintendent Telegraph
Mr. Silas Zwight, General Mechanical Superintendent
Mr. F. G. Moody, Master Car Builder
Mr. Bernard Blum, Chief Engineer
Mr. A. F. Stotler, Ass't Chief Engineer, Seattle
Mr. H. M. Tremaine, District Engineer, Spokane
Mr. R. E. Keck, General Claim Agent

Herewith copy of agreement dated November 19, 1934, between United States of America (Secretary of the Interior) and Nor. Pac. Ry. Co., covering construction of a standard-gauge railroad from Odair, Washington to Grand Coulee Dam Site.

Please acknowledge receipt on the enclosed form.

A. E. Gottschald
Assistant Secretary.

RECORD MADE IN DRAFTING ROOM ST. PAUL

| | |
|---|---|
| STA. PLAT ✓ | TRACK PROFILE ✓ |
| R/W. MAP | COND. PROFILE |
| RAIL PLAT | R. & B. CHART |
| TRK. RECORD | BLDG. RECORD |
| BY F.Y. | DATE 9-17-35. |

PAL 9/15 BB

OFFICE OF THE CHIEF
SEP 25 1985
RECEIVED
FOREST PLANNING
STAFF

N.P. File No. 8201-C

DEFENDANT'S EXHIBIT 4098

NORTHERN PACIFIC RAILWAY COMPANY

Western District

Statement of material furnished for the construction of United States Railroad to Grand Coulee Dam Site under terms of Contract with U. S. Government dated November 19, 1934.

RAIL

| Month | LF 3/90# B | Gross Tons | 3/90 A | Gross Tons | 3/85 | Gross Tons | Amount |
|---|---|---|---|---|---|---|---|
| Aug. 1934 | 57226 | 766.4196 | | | | | 15328.39 |
| | | | 25386 | 339.9911 | | | 6799.82 |
| | (20) | (.2679) | | | | | (5.36) |
| Sept. 1934 | 19985 | 267.66 | | | | | 5353.20 |
| | | | | | 186 | 2.3527 | 47.05 |
| Oct. 1934 | 14244 | 190.7670 | | | | | 3815.37 |
| | | | 6963 | 93.2589 | | | 1865.09 |
| | 31682 | | | | | | 8486.27 |
| | 22605 | 302.7455 | | | | | 6054.91 |
| Nov. 1934 | 12689 | 169.9425 | | | | | 3398.85 |
| | | | 5462 | 73.1518 | | | 1463.04 |
| | 10627 | 142.3259 | | | | | 2846.52 |
| | 7365 | 98.6384 | | | | | 1972.77 |
| | 74193 | 993.6552 | | | | | 19873.15 |
| | 3531 | 47.2903 | | | | | 945.81 |
| | 19014 | 254.6526 | | | | | 5093.05 |
| Dec. 1934 | 10114 | 135.4528 | | | | | 2709.12 |
| | | | 15713 | 210.442 | | | 4208.84 |
| | 5116½ | 68.5246 | | | | | 1370.49 |
| | 21699½ | 290.6192 | | | | | 5812.38 |
| Feb. 1935 | 2886 | 38.6519 | | | | | 773.04 |
| | 7348 | 98.4110 | | | | | 1968.22 |
| April 1935 | (16010) | (214.4196) | | | | | (4288.39) |
| May 1935 | 8811 | 118.0045 | | | | | 2360.10 |
| | 1110 | 14.866 | | | | | 297.32 |
| June 1935 | (1452) | (19.4463) | | | | | (388.93) |
| | 312764 | | 53524 | | | | 98160.12 |

## ANGLE BARS

| Month | 90# SH Com (prs) | Weight | 90# SH HT (prs) | Weight | 85# Com (prs) | Weight | Amount |
|---|---|---|---|---|---|---|---|
| Aug. 1934 | 241 | 13014# | | | | | 30.91 |
| | 200 | 10800 | | | | | 40.50 |
| | 1000 | 54000 | | | | | 256.50 |
| | 84 | 4536 | | | | | 10.77 |
| | | | 16½ | 916 | | | 21.71 |
| | | | 6½ | 307 | | | 8.17 |
| | | | | | 10 | 490# | 1.84 |
| Sept. 1934 | 250 | 13500 | | | | | 50.63 |
| | 600 | 32400 | | | | | 121.50 |
| Oct. 1934 | 399 | 21546 | | | | | 80.80 |
| | 1294 | 69876 | | | | | 262.04 |
| | 1180 | 63720 | | | | | 151.34 |
| | 1220 | 65880 | | | | | 156.47 |
| | 1500 | 81000 | | | | | 192.38 |
| | 1500 | 81000 | @ 2.375 cwt. | | | | 192.38 |
| Nov. 1934 | 480 | 25920 | | | | | 61.56 |
| | 2273 | 122742 | | | | | 291.51 |
| Dec. 1934 | 26 | 1404 | | | | | 4.91 |
| | 24 | 1296 | | | | | 4.54 |
| | 14 | 756 | | | | | 2.65 |
| Jan. 1935 | 190 | 10260 | | | | | 24.37 |
| Feb. 1935 | 68 | 1785 | | | | | 4.24 |
| | 66 | 3564 | | | | | 12.47 |
| | 141 | 7614 | | | | | 26.65 |
| June 1935 | (190) | (10260) | | | | | (24.37) |
| | (134) | (7035) | | | | | (16.71) |
| | (172) | (9114) | | | | | (38.75) |
| | | | | | | | 1931.01 |

## TIE PLATES

| Month | 7x9 90# SH | Weight | 7½x10¾ 90# | New Lundie 90# | 6x8½ 90# | | Amount |
|---|---|---|---|---|---|---|---|
| Aug. 1934 | | | 658 | | | | 112.76 |
| Dec. 1934 | | | | | 1000 | 7000# | 107.10 |
| Feb. 1935 | | | | | 900 | 6300# | 96.39 |
| | | | | | 900 | 6300# | 96.39 |
| March 1935 | | | | | 1000 | 7000# | 107.10 |
| June 1935 | | | | | (2900) | (20300#) | (310.59) |
| May 1935 | 4900 | 42728 | | | | | 653.74 |
| Oct. 1934 | | | | 5342 | | | 1239.06 |
| | | | | | | | 2101.95 |

## FROGS

| Month | #9 90# SR Frog | #9 90# Rigid Frog | #11 90# SR Frog | 85# 11'2" Rigid Frog | Amount |
|---|---|---|---|---|---|
| Aug. 1934 | 2 | | | | 219.16 |
| Sept. 1934 | 2 | | | | 164.38 |
| | | | 2 | | 172.16 |
| Oct. 1934 | | | 2 | | 173.76 |
| | | | 2 | | 172.96 |
| Dec. 1934 | 1 | | | | 82.19 |
| | | 2 | | | 144.76 |
| Sept. 1934 | | | | 1 | 61.98 |
| | | | | | 1191.35 |

## GUARD RAILS

| Month | Sets of 90# 8½' Gd Rails | 90# Plan T-15-3 | 85# 8½' | Gd Rail Clamps | Base Plates | Amount |
|---|---|---|---|---|---|---|
| Aug. 1934 | 2 | | | | | 49.88 |
| | | | 1 | | | 22.97 |
| Sept. 1934 | 4 | | | | | 121.96 |
| | 2 | | | | | 51.88 |
| Oct. 1934 | 3 | | | | | 106.82 |
| | | | | | 20 | 14.80 |
| Nov. 1934 | | | | 1 | | 3.58 |
| May 1935 | | 1 | | | | 28.44 |
| | | 7 | | | | 268.66 |
| | | | | | | 668.99 |

## SWITCHES

| Month | 90# 16½' Split Sw. Compl. | 85# 15' Split Sw. Compl. | Amount |
|---|---|---|---|
| Aug. 1934 | 2 | | 158.78 |
| | | 1 | 77.59 |
| Sept. 1934 | 4 | | 346.63 |
| | 2 | | 175.74 |
| | 3 | | 263.61 |
| | Additional Chg | | 3.46 |
| May 1935 | 1 | | 81.15 |
| | 7 | | 568.61 |
| | | | 1675.57 |

## SWITCH MATERIAL

| Month | HB Sw Stands | EConomy Sw Stands | EConomy Con Rods | 6'2" Con Rods | Con. Rods T-17-9 | Con. Rods T-17-1 | Non Ins. Tie Rod | Amount |
|---|---|---|---|---|---|---|---|---|
| Aug. 1934 | 1 | | | | | | | 19.97 |
| | | | | 1 | | | | 2.38 |
| Sept. 1934 | 6 | | | | | | | 85.86 |
| | 2 | | | | | | | 28.43 |
| | | | | 6 | | | | 15.07 |
| Oct. 1934 | | 3 | | | | | | 40.95 |
| | | 1 | | | | | | 13.65 |
| | | | | | | | 2 | 2.40 |
| Feb. 1935 | | | | | 1 | | | 3.86 |
| May 1935 | 3 | | | | | | | 40.77 |
| | | 5 | | | | | | 67.20 |
| | | | | | | 3 | | 6.93 |
| | | | 5 | | | | | 7.60 |
| June | | | | 1 | | | | 2.31 |
| | | | | | | | | 337.38 |

## SWITCH LAMPS

| Month | M/L Sw Lamps | Sw Lamps T-18-1 | Sw Locks | Amount |
|---|---|---|---|---|
| August 1934 | 1 | | | 6.07 |
| | 2 | | | 12.14 |
| | | | 3 | 2.10 |
| Sept. 1934 | 4 | | | 24.28 |
| | | | 2 | 1.40 |
| Oct. 1934 | | | 2 | 1.40 |
| May 1935 | | 3 | | 18.21 |
| | | | 3 | 1.57 |
| | | | | 67.17 |

## MISCL. MATL.

| Month | 85-90 Comp Jts | 90# Trk Bolts | Amount |
|---|---|---|---|
| Aug. 1934 | 2 | | 6.94 |
| | 2 | | 6.94 |
| | 2 | | 6.54 |
| Oct. 1934 | 4 | | 13.88 |
| Aug. 1934 | | 552 | 33.73 |
| | | 168 | 10.28 |
| | | | 78.31 |

## LABOR

| Month | | |
|---|---|---|
| Nov. 1934 | Load rail on Idaho Divn | 121.74 |
| Dec. 1934 | Load rail at Glendive | 189.29 |
| | " " on Idaho Divn. | 57.36 |
| Feb. 1935 | Load rail on Idaho Divn. | 38.82 |
| March 1935 | " " " " " | 16.34 |
| April 1935 | " " " Tacoma Divn | 15.61 |
| May 1935 | " " " Idaho Divn. | 16.72 |
| | | 455.88 |

## Recap

| | |
|---|---|
| Rail | 98160.12 |
| Angle Bars | 1931.01 |
| Tie Pla tes | 2101.95 |
| Frogs | 1191.35 |
| Guard Rails | 668.99 |
| Switches | 1675.57 |
| Switch Material | 337.38 |
| Switch Lamps | 67.17 |
| Miscl. Material | 78.31 |
| Labor loading rail | 455.88 |
| Total | 106667.73 |

Office of District Accountant,
Tacoma, Washington,
October 1, 1935.

Orig & 1 - FWS
Cc BB

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation (Symbol Ilr-804)
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

- - -

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November,
DFL 1934, in pursuance of the act of Congress of June 16, 1933
BB (48 Stat. 196), known as the National Industrial Recovery Act,
RWC between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by Harold L. Ickes, Secretary of the Interior (herein styled the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail andfastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad to extend from Odair, Washington, on the Washington

Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

12. The following maximum rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills-of-lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the established commercial freight rates applicable from Portland, Oregon, over existing routes, less land-grant deduction, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 15¢ |
| From Coeur d'Alene, Idaho, | 14¢ |
| From Spokane, Washington, | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. The United States having heretofore under date of July 16, 1934, entered into a contract (Symbol No.12r-4359) with Silas Mason Company, Inc., a New York corporation, the Walsh Construction Company, an Iowa corporation, and the Atkinson-Kier Company, a partnership consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier and Elmer L. Kier of San Francisco, California (for convenience now styled collectively the Contractor), wherein it is provided in paragraph 51 of Specifications No. 570, made a part of the said contract, that the Contractor will operate and maintain the railroad after its completion, the Contractor will be required to provide reasonable service thereunder for handling the business of the United States and others during the period of the said contract.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States, but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B. T. Jones, Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear excepted.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. The Contractor for operation of the railroad, as referred to in Article 13, shall furnish the Company with an indemnify agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen per cent to cover superintendent and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

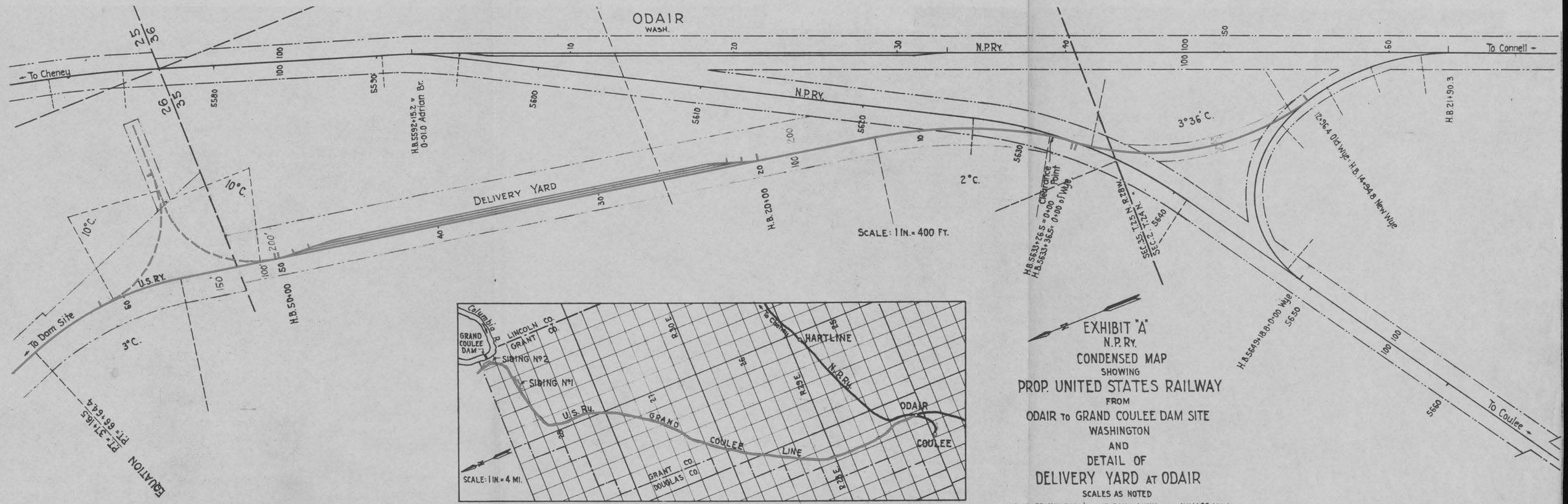
THE UNITED STATES OF AMERICA,
By Harold L. Ickes,
Secretary of the Interior.

(SEAL)

Attest:
A. M. Gottschald,
Assistant Secretary.

NORTHERN PACIFIC RAILWAY COMPANY
By Charles Donnelly,
Title - President.

(SEAL)







# EXHIBIT "A"

N.P. Ry.

CONDENSED MAP

SHOWING

## PROP. UNITED STATES RAILWAY

FROM

ODAIR to GRAND COULEE DAM SITE

WASHINGTON

AND

## DETAIL OF DELIVERY YARD AT ODAIR

SCALES AS NOTED

OFFICE OF CHIEF ENGR. ST. PAUL, MINN. JULY 28, 1934.

Tracks to be constructed by United States shown.

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, A. M. Gottschald, certify that I am the Assistant Secretary of the corporation named as Company herein; that Charles Donnelly who signed this contract on behalf of said Company, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authorityof its governing body, and is within the scope of its corporate powers.

A. M. GOTTSCHALD.

(SEAL)

8731
C
1904

Saint Paul, September 4, 1935

Mr. W. C. Sloan:

Last month there was furnished you several copies of contract between the Bureau of Reclamation and the Railway Company covering construction of the Government railway from Odair, Washington, to the Grand Coulee dam site, and copies of contract with the Government and the MWAK Company covering the operation of the railway. The contracts themselves have now been executed and delivered, and as there are some slight changes at various places in the contracts as executed, I am now enclosing copies of the finally executed documents which please substitute for the copies previously furnished you. It is my understanding you sent copies of each contract to Messrs. Burnham, Murphy and Johnson.

BB h

8731 C

August 17 1935.

Mr.R.F.Walter,C.E.
U.S.Department of the Interior,
Bureau of Reclamation,
Custom House,
Denver Colorado.

Dear Mr. Walter-

I wish to acknowledge receipt of your letter of the 13th. enclosing duplicate originals of the contracts covering the construction and operation of the railroad from Odair, Washington, to the Grand Coulee damsite.

Yours very truly,

8731 - C
409/1

St.Paul, Minn. August 17, 1935.

Mr. H.E.Stevens-

The contract between the United States and the Northern Pacific Railway Company for construction of standard gauge railroad from Odair, Washington, to Grand Coulee damsite has now been executed on behalf of the United States by the Secretary of the Interior, and the duplicate original thereof is handed you herewith.

Also enclosed is the duplicate original of the contract between the United States, the Northern Pacific Railway Company and the Silas Mason Company Inc., Walsh Construction Company and the Atkinson-Kier Company, covering the use, operation and maintenance of the said construction railroad, which has been executed on behalf of the United States by the Acting Chief Engineer and approved by the Commissioner.

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF THE CHIEF ENGINEER

4095

August 13, 1935.

OFFICE OF
CHIEF ENGINEER
AUG
16
1935
NOR. PAC. RY.
ST. PAUL, MINN.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

The contract between the United States and the Northern Pacific Railway Company for construction of standard gauge construction railroad from Odair, Washington, to Grand Coulee damsite has now been executed on behalf of the United States by the Secretary of the Interior, and the duplicate-original thereof is herewith enclosed for your files. Also enclosed is duplicate-original of contract between the United States, the Northern Pacific Railway Company, and the Silas Mason Company, Inc., Walsh Construction Company, and the Atkinson-Kier Company, covering the use, operation and maintenance of the said construction railroad, which has now been executed on behalf of the United States by the Acting Chief Engineer and approved by the Commissioner.

I wish at this time to express the Bureau's appreciation for the interest and cooperation manifested by your company in this matter.

Very truly yours,

R. F. Walter

R. F. Walter,
Chief Engineer.

Encls.

8731 "6"

Mr Blum:

This is Copy of the final draft as submitted by the Government for execution Nov 20 - 1934 - and agrees with the correspondence with Mr Lyons -

3 copies enclosed - I have retained one and can make blue prints if required

MSB
2/29

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

150npni

St Paul July 29 1935 Bernard Blum

Car 12, Seattle

B-281 and 282 and 291 In papers returned from Spokane there was blue print copy of contract submitted by Government for execution. Am having copy made and will forward by air mail tonight care stotler Seattle. Should reach you tomorrow morning M-240

R E Gemmell

229 PM

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

8731 6

St. Paul, July 29, 1935

Bernard Blum

Car 12 - Seattle,

B-281 and 282 and 291. In papers returned from Spokane there was blue print copy of contract submitted by Government for execution. Am having copy made and will forward by air mail tonight care Stotler Seattle. Should reach you tomorrow morning. M-240

R E Gemmell

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Seattle 7-29-35

R E Gemmell St Paul

My B 281 and 282 If you do not have copy of triparty Coulee Dam Railroad contract wire Walter for copy and ask him to mail to me care of Stotler Seattle stop If you have copy send to me air mail Advise B 291

Bernard Blum

N. P. 1386 12-24

74 CFD

# TELEGRAM—BE BRIEF

TIME FILED

M.

SEATTLE JULY 29 1935 R E GEMMELL

ST PAUL

MY B 281 AND 282 IF YOU DO NOT HAVE COPY OF TRIPARTY COULEE DAM RAILROAD CONTRACT WIRE WALTER FOR COPY AND ASK HIM TO MAIL TO ME CARE OF STOTLER SEATTLE STOP. IF YOU HAVE COPY SEND TO ME AIR MAIL ADVISE B 291

BERNARD BLUM

212 PM

air mail 10.45 tonight

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

4094

Seattle 7-28-35

R E Gemmell St Paul

My B 281 My recollection we did not have duplicate copy of latest revised contract but you corrected the previous draft to include Mr Lyons latest suggestions stop If necessary have copies made immediately so I can hand to Mr Stevens B 28

Bernard Blum

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

29 CF GI

SEATTLE JUL 28 1935 R E GEMMELL

STPAUL

MY B-281 MY RECOLLECTION WE DID NOT HAVE DUPLICATE COPY OF LATEST REVISED CONTRACT BUT YOU CORRECTED THE PREVIOUS DRAFT TO INCLUDE MR LYONS LATEST SUGGESTIONS STOP IF NECESSARY HAVE COPIES MADE IMMEDIATELY SO I CAN HAND TO MR STEVENS B-282

BERNARD BLUM

510PM

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Seattle 7-28-35

R E Gemmell St Paul

All of our files in connection with Coulee dam were mailed on train two from Spokane Friday and reached St Paul this morning stop Send out as soon as you can contract between Northern Pacific Government and MWAK for operation of railroad Advise

B 281

Bernard Blum

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

22 CF GI

SEATTLE JUL 28 1935 R E GEMMELL

STPAUL

ALL OF OUR FILES IN CONNECTION WITH COULEE DAM WERE MAILED ON TRAIN TWO FROM SPOKANE FRIDAY AND REACHED STPAUL THIS MORNING STOP SEND OUT AS SOON AS YOU CAN CONTRACT BETWEEN NORTHERN PACIFIC GOVERNMENT AND M W A K FOR OPERATION OF RAILROAD ADVISE B-281

BERNARD BLUM

1254PM.

N. P. 1386 / 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Seattle 7-28-35

H E Stevens St Paul

S 282 I had file containing contract with me but was sent back and reached St Paul today stop Have wired Gemmell to forward copy of contract B 283

Bernard Blum

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

10 SF W

Spokane July 28-35

Bernard Blum Car 12
Seattle

My office advise no copy of contract in St Paul between Northern Pacific Government and MWAK for operation railroad. I presume you retained copies on your file. Send me one immediately. S-282

H E Stevens

929AM

4093

At Spokane, Wash.,
July 28, 1935.

MR. BERNARD BLUM:

Your letter of July twenty-fifth about contract between the United States, the Northern Pacific Railway, and the M. W. A. K. Company, covering the construction and operation of the railroad Odair to head of the coulee.

Now that the Government have ordered the contractor to take over the operation of the railroad it becomes important that our operating and accounting people be posted as to the terms of this contract. I wired my office for a copy and they tell me there is none on our file. I had assumed that we had a copy of the draft but apparently not. I have just wired you to send me copy if there is one on your file. If not, I wish you would arrange to get one from the Reclamation Service, as I judge from your letter that it might be several months before the contract is completed and returned to us, and meanwhile neither the contractor nor ourselves have the necessary information for setting up the basis of operation.

8231 06

4094-7

At Seattle, Washington,
July 27, 1935

Mr. H. E. Stevens:

Confirming information I wrote you while at Spokane, I am in receipt of copy of letter which Mr. Banks wrote the MWAK Company under date of July 24th directing them at once to accept, operate and maintain the railroad in accordance with provisions of the contract, general specifications 570, paragraph 51, and the triparty contract dated November 19, 1934 between the United States, the MWAK Company, and the Northern Pacific.

BB:h

cc Mr. R. W. Clark
Mr. W. C. Sloan

Spokane, July 26, 1935.

Mr. Bernard Blum;-

I find the attached in the mail this morning. Thought you might like to see it as soon as possible.

H. M. Thomas

District Engineer.

HMT-T

Encl.

Mr Blaine -
Thos letter refers to
the contract of
which attached is a
copy

7/23

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

7

Coulee Dam, Washington
July 24, 1935

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway
St. Paul, Minnesota

Dear Sir:

There is enclosed for your information copy of letter being mailed today to the Mason-Walsh-Atkinson-Kier Company authorizing and directing it to begin at once the operation and maintenance of the United States Construction Railroad to the Grand Coulee Dam in accordance with the provisions of the contracts with which you are familiar.

Very truly yours,

F. A. Banks

F. A. Banks
Construction Engr.

CC Mr. Tremaine
Denver in dup.

Mr Blum
7/29

Mr Dewey to note
RB 7/27

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Coulee Dam, Washington July 24, 1935

Silas Mason Company, Inc.,
Walsh Construction Company,
Atkinson-Kier Company,
Mason City, Washington

Gentlemen:

Operation and Maintenance of
U. S. Construction Railroad,
Grand Coulee Dam - Columbia
Basin Project.

The U. S. Construction Railroad from Odair to Grand Coulee damsite has now been completed for use as contemplated in paragraph 51 of Specifications 570, and also in the contract of November 19, 1934, between the United States of America, yourselves, and the Northern Pacific Railway.

You are therefore hereby authorized and directed beginning at once, to accept, operate, and maintain said railroad in accordance with the provisions of the two contracts above mentioned.

Very truly yours

F. A. Banks
Construction Engineer

.2 cc - Denver
cc - Mr. Blum, C.E., N.P. RR.,St.Paul
" - Mr. Tremaine,Dist.Engr., N.P., Spokane

copy

United States
Department of the Interior
Bureau of Reclamation

Coulee Dam, Washington
July 24, 1935

Silas Mason Company, Inc.,
Walsh Construction Company,
Atkinson-Kier Company,
Mason City, Washington

Gentlemen: Operation and Maintenance of U.S. Construction Railroad, Grand Coulee Dam - Columbia Basin Project.

The U. S. Construction Railroad from Odair to Grand Coulee damsite has now been completed for use as contemplated in paragraph 51 of Specifications 570, and also in the contract of November 19, 1934, between the United States of America, yourselves, and the Northern Pacific Ry. Co.

You are therefore hereby authorized and directed beginning at once, to accept, operate, and maintain said railroad in accordance with the provisions of the two contracts above mentioned.

Very truly yours,

F.A. Banks
Construction Engineer

2 cc Denver
cc Mr. Blun
Mr. Tremaine

draft

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington.

- - - - - -

Contract between United States of America, Northern Pacific Railway Company, Silas Mason Company, Inc., Walsh Construction Company, and Atkinson-Kier Company, in the matter of the use, operation and maintenance of the construction railroad from Odair, Washington, to the Grand Coulee Dam site.

This Contract Made this 19th day of November, 1934, in pursuance of the Act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between the UNITED STATES OF AMERICA (herein styled the United States), represented by the contracting officer executing this contract the NORTHERN PACIFIC RAILWAY COMPANY a Wisconsin corporation (herein styled the Company), having its principal place of business at St. Paul, Minnesota; and the SILAS MASON COMPANY? INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California (herein styled collectively the Contractor), having its and their principal places of business at New York, New York, Davenport, Iowa and San Francisco, California, respectively (with joint office at Spokane, Washington).
WITNESSETH:

2. WHEREAS, the United States and the Company, under date of November 19, 1934 (Symbol-No. 12r-4530), entered into a contract covering the construction, maintenance, and operation of a construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, for the purpose of transporting construction materials to the dam site, a copy of said contract being attached hereto, marked Exhibit A, and made a part hereof; and

3. WHEREAS, it is provided in paragraph 51 of Specifications No. 570, made a part of contract dated July 16, 1934, with the contractor

(Symbol-No. 12r-4359), that the Contractor will operate and maintain the railroad after its completion; and

4. WHEREAS, as a condition to such operation and maintenance of the railroad by the Contractor, it is required that the Contractor shall, among other things, agree in writing, with the United States and the Company to observe the terms and conditions of the said contract dated November 19, 1934, as there made applicable to the use, operation and maintenance of the railroad.

5. NOW, THEREFORE, In consideration of the premises and the covenants and conditions herein contained, it is agreed between the parties as follows:

6. The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of the said contract dated November 19,1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof in the place and stead of the United States.

7. The Company will recognize the Contractor in the place and stead of the United States as solely liable to the Company (a) in the use, operation and maintenance of the railroad and (b) for any breach of the obligations undertaken by the United States under Articles 13 to 19, inclusive, of the said contract dated November 19, 1934; provided, that should the Contractor during the continuance of the said contract dated July 16, 1934, fail or refuse to carry out the obligations as assumed, the United States shall reassume such obligations upon notice in writing from the Company.

8. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____
Chief Engineer
Bureau of Reclamation.

(Seal) Attest:

_____
Secretary

NORTHERN PACIFIC RAILWAY COMPANY,

By _____

Title _____

(Seal) Attest:

_____
Secretary

SILAS MASON COMPANY, Inc.,

By _____

TITLE _____

(Seal) Attest:

_____
Secretary

WALSH CONSTRUCTION COMPANY,

By _____

Title _____

Witness:

_____

ATKINSON-KIER COMPANY,

By _____
Member of Firm

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, _____, certify that I am the Secretary of the corporation named as Company herein; that _____, who signed this contract on behalf of said Company, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL) _____

---

CERTIFICATE AS TO EXECUTION BY
SILAS MASON COMPANY, INC.

I, _____, certify that I am the _____ Secretary of one of the corporations named collectively as Contractor herein; that _____, who signed this contract is behalf of said Contractor, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(Seal) _____

CERTIFICATE AS TO EXECUTION BY
WALSH CONSTRUCTION COMPANY

I, _____, certify that I am the Secretary of one of the corporations named collectively as Contractor herein; that _____, who signed this contract in behalf of said contractor, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(Seal)

_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

ASSENT OF SURETY

Know All Men By These Presents, That we, THE AETNA CASUALTY AND SURETY COMPANY, a Connecticut corporation; AMERICAN SURETY COMPANY OF NEW YORK, a New York corporation; COLUMBIA CASUALTY COMPANY, A New York corporation; CONTINENTAL CASUALTY COMPANY, an Indiana corporation; THE FIDELITY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Maryland corporation; FIREMAN'S FUND INDEMNITY COMPANY, a California corporation; GENERAL CASUALTY COMPANY OF AMERICA, a Washington corporation; Glens Falls INDEMNITY COMPANY, a New York corporation; GLOBE INDEMNITY COMPANY; a New York corporation; GREAT AMERICAN INDEMNITY COMPANY, a New York corporation; HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut corporation; MARYLAND CASUALTY COMPANY, a Maryland corporation; MASSACHUSETTS BONDING AND INSURANCE COMPANY, a Massachusetts corporation; NATIONAL SURETY CORPORATION, a NewaYork corporation; NEW AMSTERDAM CASUALTY COMPANY, a New York corporation; NEW YORK CASUALTY COMPANY, a New York corporation; PACIFIC INDEMNITY COMPANY, a California corporation; ROYAL INDEMNITY COMPANY, a New York corporation; STANDARD ACCIDENT INSURANCE COMPANY a Michigan corporation; STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; and UNITED STATES FIDELITY AND GUARANTY COMPANY, a Maryland corporation, as sureties on the performance bond dated the fourteenth day of September, 1934, given to the UNITED STATES OF AMERICA by the SILAS MASON COMPANY, INC., a New York corporation;, the WALSH CONSTRUCTION COMPANY, an Iowa corporation; and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California; jointly and severally as principal, under that certain contract dated the 16th day of July, 1934 (Symbol-No.4359), for construction of the Grand Coulee

Dam and Power Plant, Columbia Basin Project, Washington, do hereby assent to that certain contract entered into the 19th day of November, 1934 (Symbol No. 12r-4530), between THE UNITED STATES OF AMERICA, the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California, in the matter of the use, operation and maintenance by the SILAS MASON COMPANY, INC., the WALSH CONSTRUCTION COMPANY, and the ATKINSON-KIER COMPANY, of the construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as more particularly set out in said contract.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this day of 1934. the name and corporate seal of each party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

THE AETNA CASUALTY AND SURETY COMPANY

(SEAL) By _____

Title _____

AMERICAN SURETY COMPANY OF NEW YORK

(SEAL) By _____

Title _____

COLUMBIA CASUALTY COMPANY

(SEAL) By _____

Title _____

COLUMBIA CASUALTY COMPANY

(SEAL) BY _____

Title _____

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK

(SEAL) BY _____

TITLE _____

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

(SEAL) BY _____

TITLE _____

FIREMAN'S FUND INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

GENERAL CASUALTY COMPANY OF AMERICA

(SEAL) BY _____

TITLE _____

NEW AMSTERDAM CASUALTY COMPANY

(SEAL) BY _____

TITLE

NEW YORK CASUALTY COMPANY

(SEAL) BY _____

TITLE _____

PACIFIC INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

ROYAL INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

STANDARD ACCIDENT INSURANCE COMPANY

(SEAL) BY _____

TITLE _____

STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK

(SEAL) BY _____

TITLE _____

UNITED STATES FIDELITY AND GUARANTY COMPANY

(SEAL) BY _____

TITLE _____

GLENS FALLS INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

GLOBE INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

GREAT AMERICAN INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

HARTFORD ACCIDENT AND INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

MARYLAND CASUALTY COMPANY

(SEAL) BY _____

TITLE _____

MASSACHUSETTS BONDING AND INSURANCE COMPANY

(SEAL) BY _____

TITLE _____

NATIONAL SURETY CORPORATION

(SEAL) BY _____

TITLE _____

12r-4530

Draft

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

- - - - -

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), knon as the National Industrial Recovery Act, between the UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____, Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY? a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and as a part of such work, proposed to construct a standard gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad

after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will

furnish, at its own expense all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

12. The following maximum net cash freight rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

| | | | |
|---|---|---|---|
| Irvin | 13¢ | Concrete | 17¢ |
| Metaline Falls | 17¢ | Seattle | 17¢ |
| Bellingham | 17¢ | Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of Lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(3) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 18¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington, | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions, If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with theCompany at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company,on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from

said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on the cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States, but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B. T. Jones, Agent, Naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear expected.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. If operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the United States agrees that in any contract it may enter into for the operation of the railroad hereinbefore mentioned, it will insert in said contract a provision requiring the Contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or

growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of t trackage. will be equally divided between the Company and United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen percent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear expected, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its

general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Federal Emergency Administrator
of Public Works and Secretary
of the Interior.

(SEAL) Attest:

_____
Secretary

NORTHERN PACIFIC RAILWAY COMPANY

By _____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington.

- - - - -

Contract between United States of America, Northern Pacific Railway Company, Silas Mason Company, Inc., Walsh Construction Company, and Atkinson-Kier Company, in the matter of the use, operation and maintenance of the construction railroad from Odair, Washington, to the Grand Coulee Dam site.

This Contract Made this 19th day of November, 1934, in pursuance of the Act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act, between the UNITED STATES OF AMERICA (herein styled the United States), represented by the contracting officer executing this contract; the NORTHERN PACIFIC RAILWAY COMPANY a Wisconsin corporation (herein styled the Company), having its principal place of business at St. Paul, Minnesota; and the SILAS MASON COMPANY? INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California (herein styled collectively the Contractor), having its and their principal places of business at New York, New York, Davenport, Iowa and San Francisco, California, respectively (with joint office at Spokane, Washington). WITNESSETH:

2. WHEREAS, the United States and the Company, under date of November 19, 1934 (Symbol-No. 12r-4530), entered into a contract covering the construction, maintenance, and operation of a construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, for the purpose of transporting construction materials to the dam site, a copy of said contract being attached hereto, marked Exhibit A, and made a part hereof; and

3. WHEREAS, it is provided in paragraph 51 of Specifications No. 570, made a part of contract dated July 16, 1934, with the contractor

(Symbol-No. 12r-4359), that the Contractor will operate and maintain the railroad after its completion; and

4. WHEREAS, as a condition to such operation and maintenance of the railroad by the Contractor, it is required that the Contractor shall, among other things, agree in writing, with the United States and the Company to observe the terms and conditions of the said contract dated November 19, 1934, as there made applicable to the use, operation and maintenance of the railroad.

5. NOW, THEREFORE, In consideration of the premises and the covenants and conditions herein contained, it is agreed between the parties as follows:

6. The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of the said contract dated November 19,1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof in the place and stead of the United States.

7. The Company will recognize the Contractor in the place and stead of the United States as solely liable to the Company (a) in the use, operation and maintenance of the railroad and (b) for any breach of the obligations undertaken by the United States under Articles 13 to 19, inclusive, of the said contract dated November 19, 1934; provided, that should the Contractor during the continuance of the said contract dated July 16, 1934, fail or refuse to carry out the obligations as assumed, the United States shall reassume such obligations upon notice in writing from the Company.

8. No member of or deligate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____
Chief Engineer
Bureau of Reclamation.

(Seal) Attest:

_____
Secretary

NORTHERN PACIFIC RAILWAY COMPANY,

By _____

Title _____

(Seal) Attest:

_____
Secretary

SILAS MASON COMPANY, Inc.,

By _____

TITLE _____

(Seal) Attest:

_____
Secretary

WALSH CONSTRUCTION COMPANY,

By _____

Title _____

Witness:

_____

ATKINSON-KIER COMPANY,

By _____
Member of Firm

CERTIFICATE AS TO EXECUTION BY
NORTHERN PACIFIC RAILWAY COMPANY

I, _____, certify that I am the Secretary of the corporation named as Company herein; that _____, who signed this contract on behalf of said Company, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(SEAL) _____

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CERTIFICATE AS TO EXECUTION BY
SILAS MASON COMPANY, INC.

I, _____, certify that I am the _____ Secretary of one of the corporations named collectively as Contractor herein; that _____, who signed this contract is behalf of said Contractor, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(Seal) _____

CERTIFICATE AS TO EXECUTION BY
WALSH CONSTRUCTION COMPANY

I, _____, certify that I am the Secretary of one of the corporations named collectively as Contractor herein; that _____, who signed this contract in behalf of said contrsctor, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(Seal) _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

ASSENT OF SURETY

Know All Men By These Presents, That we, THE AETNA CASUALTY AND SURETY COMPANY, a Connecticut corporation; AMERICAN SURETY COMPANY OF NEW YORK, a New York corporation; COLUMBIA CASUALTY COMPANY, a New York corporation; CONTINENTAL CASUALTY COMPANY, an Indiana corporation; THE FIDELITY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Maryland corporation; FIREMAN'S FUND INDEMNITY COMPANY, a California corporation; GENERAL CASUALTY COMPANY OF AMERICA, a Washington corporation; Glens Falls INDEMNITY COMPANY, a New York corporation; GLOBE INDEMNITY COMPANY, a New York corporation; GREAT AMERICAN INDEMNITY COMPANY, a New York corporation; HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut corporation; MARYLAND CASUALTY COMPANY, a Maryland corporation; MASSACHUSETTS BONDING AND INSURANCE COMPANY, a Massachusetts corporation; NATIONAL SURETY CORPORATION, a NewsYork corporation; NEW AMSTERDAM CASUALTY COMPANY, a New York corporation; NEW YORK CASUALTY COMPANY, a New York corporation; PACIFIC INDEMNITY COMPANY, a California corporation; ROYAL INDEMNITY COMPANY, a New York corporation; STANDARD ACCIDENT INSURANCE COMPANY a Michigan corporation; STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; and UNITED STATES FIDELITY AND GUARANTY COMPANY, a Maryland corporation, as sureties on the performance bond dated the fourteenth day of September, 1934, given to the UNITED STATES OF AMERICA by the SILAS MASON COMPANY, INC., a New York corporation;, the WALSH CONSTRUCTION COMPANY, an Iowa corporation; and the ATKINSON-KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier, and Elmer L. Kier, of San Francisco, California; jointly and severally as principal, under that certain contract dated the 16th day of July, 1934 (Symbol-No.4359), for construction of the Grand Coulee

Dam and Power Plant, Columbia Basin Project, Washington, do hereby assent to that certain contract entered into the 19th day of November, 1934 (Symbol No. 12r-4560), between THE UNITED STATES OF AMERICA, the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation; and the SILAS MASON COMPANY, INC., a New York corporation, the WALSH CONSTRUCTION COMPANY, an Iowa corporation, and the ATKINSON KIER COMPANY, a partnership, consisting of Guy F. Atkinson, George H. Atkinson, William D. Kier, and Elmer L. Kier, of San Francisco, California, in the matter of the use, operation and maintenance by the SILAS MASON COMPANY, INC., the WALSH CONSTRUCTION COMPANY, and the ATKINSON-KIER COMPANY, of the construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam Site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as more particularly set out in said contract.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this day of 1934. the name and corporate seal of each party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

THE AETNA CASUALTY AND SURETY COMPANY

(SEAL) By _____

Title _____

AMERICAN SURETY COMPANY OF NEW YORK

(SEAL) By _____

Title _____

COLUMBIA CASUALTY COMPANY

(SEAL) By _____

Title _____

COLUMBIA CASUALTY COMPANY

(SEAL) BY _____

Title _____

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK

(SEAL) BY _____

TITLE _____

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

(SEAL) BY _____

TITLE _____

FIREMAN'S FUND INDEMNITY COMPANY

(SEAL) B _____

TITLE _____

GENERAL CASUALTY COMPANY OF AMERICA

(SEAL) BY _____

TITLE _____

NEW AMSTERDAM CASUALTY COMPANY

(SEAL) B _____

TITLE

NEW YORK CASUALTY COMPANY

(SEAL) BY _____

TITLE _____

PACIFIC INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

ROYAL INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

STANDARD ACCIDENT INSURANCE COMPANY

(SEAL) B _____

TITLE _____

STANDARD SURETY AND CASUALTY COMPANY OF NEW YORK

(SEAL) BY _____

TITLE _____

UNITED STATES FIDELITY AND GUARANTY COMPANY

(SEAL) BY _____

TITLE _____

GLENS FALLS INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

GLOBE INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

GREAT AMERICAN INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

HARTFORD ACCIDENT AND INDEMNITY COMPANY

(SEAL) BY _____

TITLE _____

MARYLAND CASUALTY COMPANY

(SEAL) BY _____

TITLE _____

MASSACHUSETTS BONDING AND INSURANCE COMPANY

(SEAL) BY _____

TITLE _____

NATIONAL SURETY CORPORATION

(SEAL) BY _____

TITLE _____

12r-4530

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Grand Coulee Dam and Power Plant
Columbia Basin Project, Washington

- - - - -

Contract between United States of America and the Northern Pacific Railway Company for the construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site.

1. This contract, made this 19th day of November, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), knon as the National Industrial Recovery Act, between the UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____, Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY? a corporttion of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the National Industrial Recovery Act in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and as a part of such work, proposed to construct a standard gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad

after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charges; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached, marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will

furnish, at its own expense all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90-lb. rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

12. The following maximum net cash freight rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

| | | | |
|---|---|---|---|
| Irvin | 13¢ | Concrete | 17¢ |
| Metaline Falls | 17¢ | Seattle | 17¢ |
| Bellingham | 17¢ | Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of Lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(3) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho, | 18¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington, | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with theCompany at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company, on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from

said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on the cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States, but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company at Odair and may be removed from such interchange yard. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B. T. Jones, Agent, Naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear expected.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. If operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the United States agrees that in any contract it may enter into for the operation of the railroad hereinbefore mentioned, it will insert in said contract a provision requiring the Contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or

growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of t trackage, will be equally divided between the Company and United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen percent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear expected, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its

general benefit.

22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Federal Emergency Administrator of Public Works and Secretary of the Interior.

(SEAL) Attest:

_____
Secretary

NORTHERN PACIFIC RAILWAY COMPANY

By _____

Title _____

COPY

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

Coulee Dam, Washington
July 24, 1935

Mr. Bernard Blum, Chief Engineer
Northern Pacific Railway
St. Paul, Minnesota

Dear Sir:

There is enclosed for your information copy of letter being mailed today to the Mason-Walsh-Atkinson-Kier Company authorizing and directing it to begin at once the operation and maintenance of the United States Construction Railroad to the Grand Coulee Dam in accordance with the provisions of the contracts with which you are familiar.

Very truly yours,

F. A. Banks
Construction Engr.

CC Mr. Tremaine
Denver in dup.

COPY

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

Coulee Dam, Washington July 24, 1935

Silas Mason Company, Inc.,
Walsh Construction Company,
Atkinson-Kier Company,
Mason City, Washington

Gentlemen:

Operation and Maintenance of U. S. Construction Railroad, Grand Coulee Dam - Columbia Basin Project.

The U. S. Construction Railroad from Odair to Grand Coulee damsite has now been completed for use as contemplated in paragraph 51 of Specifications 570, and also in the contract of November 19, 1934, between the United States of America, yourselves, and the Northern Pacific Railway.

You are therefore hereby authorized and directed beginning at once, to accept, operate, and maintain said railroad in accordance with the provisions of the two contracts above mentioned.

Very truly yours,

F. A. Banks
Construction Engineer

2 cc - Denver
cc - Mr. Blum, C.E., N.P. RR., St. Paul
" - Mr. Tremaine, Dist. Engr., N.P., Spokane

At Spokane, Washington,
July 25, 1935

8731 "6"

Mr. H. E. Stevens - On Line

I wired you last night that Mr. Banks' office had informed me the contract of November 19, 1934 between the United States and the Northern Pacific for the construction of the Grand Coulee dam railroad had been executed by Secretary Ickes. I presume our copy will be returned to us in the next few days.

Mr. Miner, Office Engineer for Mr. Banks, told me that the MWAK Company had executed the tri-party contract for the operation of the railroad and the forms were now circulating among the twenty-one bonding companies. It is my recollection that the Railway Company executed the contract before it was returned to Mr. Walter. I presume there is no question but that the Secretary of the Interior will execute it upon approval by the bonding companies.

The MWAK Company purchased an oil burning locomotive from the Southern Pacific Company which arrived at Odair a few days ago. I understand they paid $3000 for it as compared with $9000 which was our price for an engine. Yesterday morning they steamed it up for the first time and hauled four cars of machinery to the spur track serving the cement bin layout.

I looked over the railroad at several points and it appears to be in excellent shape. The David Ryan Company have completed their work, and the MWAK Company are building additional tracks with rail, angle bars and tie plates which we are leasing them.

Mr. Burnham is going to the dam this morning to confer with the MWAK Company about handling LCL and other commercial shipments for the Railroad Company.

Construction of the gravel washing plant on the right or east bank of the river is nearing completion and it is estimated it will be ready to produce aggregate in sixto eight weeks time. The aggregate will be delivered to the mixing plants on the banks of the river by belt conveyor.

Rapid progress is being made in excavating the left bank coffer dam and they are now down to bed rock. There is about two and one-half million cubic yards of excavation yet to come out of the right bank coffer dam and that will be hauled across the river on a belt conveyor to the Rattle Snake Canyon. No water is being encountered in the coffer dam.

The newspapers carry articles about the official openig

of the Government Railroad on Monday, the twenty-ninth. The Reclamation Service is today officially ordering the contractors to assume the operation of the railroad.

BB:h

cc Mr. W. C. Sloan

At Spokane, Washington,
July 25, 1935

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BB:h

cc Mr. W. C. Sloan

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Spokane 7-24-35

H B Stevens Car 9 Livingston

MWAK ran first train today from Odair to cement bins midway from head of coulee to damsite stop Contract between Railway Company and Bureau of Reclamation covering railroad executed by Ickes July seventeenth stop Banks office told me triparty contract for operation of railroad has been executed by MWAK and is now circulating among contractors bondsmen

B 241

Bernard Blum

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

87316

Saint Paul, April 23, 1935.

Bernard Blum
Car 12 - Spokane

B-231 No. Walter sent final revised contracts in duplicate only. These were executed and returned but am sending you

in todays pouch the last previous drafts and file with exchange correspondence about corrections from which final forms can be

fairly well reconstructed. M-113

R T Gemmell

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

55 SF X

SPOKANE APL 23 1935

R E GEMMELL

STPAUL

HAVE YOU COPIES FORMS AGREEMENT WITH GOVT COVERING CONSTRUCTION AND OPERATION GRAND COULEE RAILROAD WHICH YOU CAN SEND ME B 231

BERNARD BLUM

111P

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Spokane 4-23-35

R E Gemmell St Paul

Have you copies forms agreement with government covering construction and operation Grand Coulee railroad which you can send me B 231

Bernard Blum

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8731 M.

95 SF S

Spokane 10/29/34

J T Derrig

St Paul

Have wired Harper OK if he insists but it is unnecessary stop will send you copy of contract. B-294

Bernard Blum

413 pm

7

Saint Paul, July 20th, 1935

MR. W. C. SLOAN:

MR. BERNARD BLUM:

For your information Mr. Burnham wired Mr. Clark under date of July 19th, as follows:

> "News dispatches have stated MWAK Company will start operating line from Odair to dam between July 22nd and 25th. We have confirmed this through MWAK Company who say they will handle carload traffic through by the 25th."

H E Stevens

4090

At Spokane, Wash.,
April 22nd, 1935

Mr. H. E. Stevens:

Recently you asked me about status of the agreements which the Railway Company have executed covering the construction of the Government railroad to the Grand Coulee dam, and for the use, operation, and maintenance of that piece of railroad. I traced Mr. Walter under date of April 15th and have his reply of the 17th that the forms of contracts which I sent him March 11th were transmitted to the construction contractors for execution but have not yet been returned to his office.

I was at the dam site today and talked with Mr. Banks and with Mr. Myer, Vice President of the MWAK Company. Mr. Banks told me the contractors had the agreements for some time but it was apparent they were disinclined to execute the forms as they did not want to take over the operation of the railroad at this time. They have very little material coming in since they have trucked their steel piling for the west or left bank coffer dam. Another element that enters the picture is that other contractors of the Government have material to haul in and the MWAK Company do not want to incur the obligation of being required to haul one or two carloads at a time. In fact there is a particular case at issue now which is causing some concern; namely the contractor for the Government for paving the highway from the head of the Dry Coulee down to the dam site. He has a number of cars of material to make his plant setup at the head of the Coulee and will want one or two cars of oil a day delivered as the work gets underway.

David Ryan has completed construction of the railroad from Odair to a point possibly half way down to the dam site from the head of the Coulee. It will be about ten days before the grading at the slide will permit further laying of track although he may start very shortly and haul track material below the slide and finish up the tracklaying to the end in advance of the missing link at the slide.

Mr. Banks told me that he intended to write a letter this afternoon to the Denver office asking if he should not write a formal letter to the MWAK Company, notifying them that the railroad was now accepted by the Government and turned over to the contractors for operation. There, of course, is the technical point that the entire railroad is not completed on account of the delay from the slide.

Later I called on Mr. Myer of the MWAK Company. Mr. Myer

urged that the Railway Company take over the operation. I told him that I understood you had quoted them the estimated actual cost to the Railway Company of operating the road. He stated that the figures that had been quoted were too high.

Mr. Myer told me that they had the forms of agreement but were unwilling to execute them in their present form. He read me a letter from their lawyers objecting to the indemnity clause we had written, claiming that as written the MWAK Company would be responsible for any accident that might occur even if the Government ran a train over the railroad, or if the Northern Pacific should run a train over the road.

Further he brought up the point that the construction contract between the Government and the Railway Company had been materially changed since the time they had made their bid in June for the dam construction. He quoted the date of the agreement, namely October, as evidence thereof and stated that he had been informed as to such fact by the chief clerk of the Reclamation Department.

It was evident to me that for some reason or other the MWAK Company desire to hold off from assuming any responsibility as to the railroad operation, and on the other hand the Government Engineers are not willing to take definite steps in the matter.

I rather gained the impression from talking with Mr. Myer and with a Mr. O. G. F. Markhus, who is engaged by the Reclamation Service in preparing publications covering the Grand Coulee dam, that they expect very shortly an announcement to be made that the high dam will be built. What effect such announcement would have on the present arrangement is not known.

Mr. Myer and Mr. Banks did tell me that they expect very shortly to have final decision on the setup of the gravel producing plant, which will involve heavy freight shipment, and the railroad will be necessary for that movement. Mr. Myer estimates September as the time to start concreting. They are moving about 1,500,000 yards of dirt per month and are averaging 1,000,000 yards of excavation for the belt conveyor out of the west coffer dam.

Mr. Stevens #3

I understand you were at Coulee within the past month and presume the combination railroad-highway bridge was completed at that time.

I did not ride the length of the Government railroad but looked over several miles of it and apparently it is in good shape and ready for service.

MD h

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF THE CHIEF ENGINEER

April 17, 1935.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

I have your letter of April 15, 1935, referring to your letter of March 9, 1935, and inquiring as to the status of execution on behalf of the construction contractors and the Government of the forms of contracts for construction of the Government railroad between Odair and the Grand Coulee dam site, and the use, operation and maintenance of the railroad.

The forms of contracts, as received with your letter of March 9, 1935, were transmitted to the construction contractors for execution with office letter of March 19, 1935, but have not yet been returned to this office.

Inquiry is being made as to the status of execution of these contracts, and I will be glad to inform you further when reply has been received.

Very truly yours,

R. F. Walter

R. F. Walter,
Chief Engineer.

8731-16

April 15, 1935

Dear Mr. Walter:

With my letter of March ninth I sent you forms of contract covering the construction of the Government railroad between Odair and the Grand Coulee dam site; and the use, operation and maintenance agreement for the same railroad.

May I inquire as to the status of execution on the part of the United States, the Contractors, and the Bonding Companies. I realize that it takes some time to handle such contracts in which a number of interests are concerned.

Yours very truly,

BB h

Mr. R. F. Walter, C. E.,
U. S. Department of Interior
Bureau of Reclamation,
Customhouse,
Denver, Colorado

March 9, 1935

Mr. R. F. Walter, C. E.,
U. S. Department of Interior,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Sir:

I am returning to you herewith forms of contracts which you sent me with your letter of January 26 covering, first, the construction of the government railroad between Odair and the Grand Coulee dam site and, second, the use, operation and maintenance of the railroad.

Each of the contracts has been executed in duplicate as requested by you. I will be glad if you would arrange to have these contracts completed, returning the railway company's copies in due time.

Yours very truly,

BB h

mailed 3/13

8731"6"

OFFICE OF CHIEF ENGINEER
MAR 12 1935
GREAT NORTHERN RY.

6884

Saint Paul, March 11th, 1935

MR. BERNARD BLUM:

I enclose herewith in duplicate proposed contracts between the Railway, the Bureau of Reclamation, and the Contractors on the GRAND COULEE DAM PROJECT covering construction and operation of the Construction Railroad between Odair and the dam site.

The agreements have been executed on the part of the Railway and are returned for similar action on the part of the Bureau of Reclamation and the Contractors. When fully executed will you please see that Northern Pacific copies are returned to this office.

Left Contracts with asst Secy for certificates to be filled in 3/12

1206-A

CLASS OF SERVICE DESIRED

| DOMESTIC | | CABLE | |
|---|---|---|---|
| TELEGRAM | X | FULL RATE | |
| DAY LETTER | | DEFERRED | |
| NIGHT MESSAGE | | NIGHT LETTER | |
| NIGHT LETTER | | SHIP RADIOGRAM | |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

R. B. WHITE, PRESIDENT — NEWCOMB CARLTON, CHAIRMAN OF THE BOARD — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCT'G INFMN.

TIME FILED

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

8731 6

St Paul February 28 1935

R F Walter
Bureau of Reclamation
Customhouse
Denver Colorado

Regard contract Coulee Dam railroad Delayed account absence Clark Now in line for execution and hope to have in few days

Bernard Blum

CHARGE NOR. PAC. RY. CO.
ENGINEERING DEPT.

WESTERN UNION MESSENGERS ARE AVAILABLE FOR THE DELIVERY OF NOTES AND PACKAGES

E 731 "6"

At Chicago, Ill., February 27, 1935.

Mr. H. E. Stevens,
Vice President.

I am handing you in duplicate two contracts submitted by Mr. Blum covering railroad matters in connection with the Grand Coulee dam site.

I have initialed these contracts and am passing them on to you for your attention.

Encl.
Dictated

cc - Mr. Bernard Blum

WESTERN UNION

DENVER OFFICE
NIRA GENERAL

NITE LETTER

DENVER COLORADO FEBRUARY 25 1935.

BERNARD BLUM
CHIEF ENGINEER
NORTHERN PACIFIC RAILWAY CO.
ST. PAUL MINN.

REFER MY LETTER JANUARY TWENTY SIXTH AND ADVISE WHEN EXECUTED CONTRACTS WILL BE RETURNED STOP EARLY ACTION WILL BE APPRECIATED AS CONSTRUCTION RAILROAD IS PRACTICALLY COMPLETED.

WALTER - RECLAMATION BUREAU.

R. F. Walter

---

CHIEF ENGINEER.

CONFIRMATION ✓

4

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE 1201-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

# WESTERN UNION

R. B. WHITE, PRESIDENT
NEWCOMB CARLTON, CHAIRMAN OF THE BOARD
J. C. WILLEVER, FIRST VICE-PRESIDENT

SIGNS

| |
|---|
| DL = Day Letter |
| NM = Night Message |
| NL = Night Letter |
| LC = Deferred Cable |
| NLT = Cable Night Letter |
| Ship Radiogram |

The filing time shown in the date line on telegrams and day letters is Standard Time at point of origin. Time of receipt is Standard Time at point of destination.

**Received at 332 Robert Street, St. Paul, Minn.** TELEPHONE CEDAR 9685

1935 FEB 25 PM 11 49

CB533 28 GOVT NL 2 EXTRA=DENVER COLO 25

BERNARD BLU=

CHIEF ENGINEER NORTHERN PACIFIC RAILWAY CO STPAUL MINN=

REFER MY LETTER JANUARY TWENTY SIXTH AND ADVISE WHEN EXECUTED CONTRACTS WILL BE RETURNED STOP EARLY ACTION WILL BE APPRECIATED AS CONSTRUCTION RAILROAD IS PRACTICALLY COMPLETED=

WALTER RECLAMATION BUREAU CHIEF ENGINEER.

MINUTES IN TRANSIT

| FULL-RATE | DAY LETTER |
|---|---|
| | |

THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE

On Yellowstone Division,
February 8th, 1935

Mr. R. W. Clark:

I am handing you herewith for approval the following forms of contract, in duplicate, as received from the Bureau of Reclamation.

Symbol 12r-4530, between the United States and Northern Pacific for construction of railroad from Odair, Washington, to the Grand Coulee Dam site.

Contract between the United States, the Northern Pacific, the Silas Mason Company, et. al. for use, operation and maintenance of the construction railroad from Odair to the Grand Coulee dam site. These forms of contract have been revised several times on the part of the United States and the Railway Company, and I believe are now ready for execution. They were sent me under date of January 26 by Chief Engineer R. F. Walter with the following comments:

"The revisions suggested in your letter (December 24,1934) have been approved by the Secretary, and the first and last pages of the forms have also been revised so as to show (in accordance with the most recent regulations) that the contracts are to be executed on behalf of the United States by the Secretary of the Interior, and not by the Federal Emergency Administrator of Public Works and Secretary of the Interior. You will of course have no objection to the latter revision.

Each of the contracts should be executed in duplicate on behalf of the railway company by an officer authorized to do so, and such signature attested under the corporate seal by the secretary. The accompanying certificate as to execution by the company should be also executed under corporate seal by the secretary.

When so executed, kindly return the original and duplicate original of both contracts to this office, whereupoon the contract for use, operation and maintenance of the railroad will be transmitted to the construction contractors for the Grand Coulee Dam for execution by them, and for execution of the assent of surety by each of the sureties on the performance bond of the construction contractors.

When this has been accomplished you will be furnished with duplicate originals of each of the contracts for your files."

Revisions in articles 12 and 15 of the construction contract referring to freight rates, have I believe been acceded to by the Traffic Department.

The use, operation and maintenance contract was made necessary on account of the provisions of the general contract for the construction of the dam which provide that the contractors will take over the construction railroad from the government. That form of agreement includes an assent of surety from the fifteen insurance companies bonding the MWAK Company.

I have gone over the contracts in detail with Mr. Lyons, which were revised to meet his views, and he has approved both forms. If satisfactory to you, I would be glad if you would forward to Mr. Stevens.

BB:h

cc Mr. H. H. Stevens

4804

On Yellowstone Division,
February 8th, 1935

Mr. R. W. Clark:

I am handing you herewith for approval the following forms of contract, in duplicate, as received from the Bureau of Reclamation.

Symbol 12r-4530, between the United States and Northern Pacific for construction of railroad from Odair, Washington, to the Grand Coulee Dam site.

Contract between the United States, the Northern Pacific, the Silas Mason Company, et. al. for use, operation and maintenance of the construction railroad from Odair to the Grand Coulee dam site. These forms of contract have been revised several times on the part of the United States and the Railway Company, and I believe are now ready for execution. They were sent me under date of January 26 by Chief Engineer R. F. Walter with the following comments:

"The revisions suggested in your letter (December 24,1934) have been approved by the Secretary, and the first and last pages of the forms have also been revised so as to show (in accordance with the most recent regulations) that the contracts are to be executed on behalf of the United States by the Secretary of the Interior, and not by the Federal Emergency Administrator of Public Works and Secretary of the Interior. You will of course have no objection to the latter revision.

Each of the contracts should be executed in duplicate on behalf of the railway company by an officer authorized to do so, and such signature attested under the corporate seal by the secretary. The accompanying certificate as to execution by the company should be also executed under corporate seal by the secretary.

When so executed, kindly return the original and duplicate original of both contracts to this office, whereupon the contract for use, operation and maintenance of the railroad will be transmitted to the construction contractors for the Grand Coulee Dam for execution by them, and for execution of the assent of surety by each of the sureties on the performance bond of the construction contractors.

When this has been accomplished you will be furnished with duplicate originals of each of the contracts for your files."

Revisions in articles 12 and 15 of the construction contract referring to freight rates, have I believe been acceded to by the Traffic Department.

The use, operation and maintenance contract was made necessary on account of the provisions of the general contract for the construction of the dam which provide that the contractors will take over the construction railroad from the government. That form of agreement includes an assent of surety from the fifteen insurance companies bonding the MWAK Company.

I have gone over the contracts in detail with Mr. Lyons, which were revised to meet his views, and he has approved both forms. If satisfactory to you, I would be glad if you would forward to Mr. Stevens.

BB:h

cc Mr. H. E. Stevens

12

1084-

St. Paul, Minn., February 5, 1935.

Subject: Coulee dam application (2191 I. C. C.)

Mr. Bernard Blum:

As requested in your letter of January 28 I have initialed contracts relating to Government railroad from Odair to Grand Coulee Dam site. I return all of your papers.

D. F. Lyons.
General Counsel.

L-b
Enc.

8731 B 58GH

Saint Paul, January 28, 1935.

Mr. D. W. Lyons:

Referring to my letter of December 24 and previous correspondence in regard to contract for use, operation and maintenance of the Government railroad from Odair to the Grand Coulee Dam site:

I enclose letter of January 26 from Mr. Walter, together with forms of contract (two) revised in accordance with suggestions made to him, also my file. I also attach the previous forms of contract which may be identified by the fact that same have my initials on the first page of each.

If the revised forms are O.K. for execution by the Railway Company will you please initial and return.

Chief Engineer.

REC-w

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF THE CHIEF ENGINEER

January 26, 1935.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

Reference is made to your letter to this office of December 24, 1934, in the matter of the two forms of contract between the United States, the Northern Pacific Railway Company, and others, covering construction, use, operation and maintenance of the Government railroad from Odair to the Grand Coulee Dam site.

[Dec. 24-1934]

The revisions suggested in your letter have been approved by the Secretary, and the first and last pages of the forms have also been revised so as to show (in accordance with the most recent regulations) that the contracts are to be executed on behalf of the United States by the Secretary of the Interior, and not by the Federal Emergency Administrator of Public Works and Secretary of the Interior. You will of course have no objection to the latter revision.

Each of the contracts should be executed in duplicate on behalf of the railway company by an officer authorized to do so, and such signature attested under the corporate seal by the secretary. The accompanying certificate as to execution by the company should be also executed under corporate seal by the secretary.

When so executed, kindly return the original and duplicate original of both contracts to this office, whereupon the contract for use, operation and maintenance of the railroad will be transmitted to the construction contractors for the Grand Coulee Dam for execution by them, and for execution of the assent of surety by each of the sureties on the performance bond of the construction contractors.

When this has been accomplished you will be furnished with duplicate originals of each of the contracts for your files.

Very truly yours,

R. F. Walter

R. F. Walter,
Chief Engineer.

Encls.

102

OFFICE OF CHIEF ENGINEER JAN 12 1935 NOR. PAC. RY. ST. PAUL, MINN.

St. Paul, Minn., January 10, 1935.

File A-32169-1

MR. R. W. CLARK:

Returning Mr. Lyons' letter January 5th, which you handed me the 8th instant, relating to Paragraph 12 of contract between the United States and the Northern Pacific for construction of the Grand Coulee Dam Railroad, rates on materials for use in construction of dam, etc.

It is my view that the changes in paragraph referred to that are suggested in your letter December 31, 1934, to Mr. Blum, while desirable from standpoint of clarification, are not vital and in view of Mr. Lyons' feeling expressed in his letter 5th instant with respect to requesting further changes in wording at this date, I do not believe we should further urge that they be made.

(Signed) L. R. CAPRON

Encl.
lrc-rj

cc - Mr. D. F. Lyons
Mr. Bernard Blum

B.

101

St. Paul, Minn., January 5, 1935.

Mr. R. W. Clark:

Mr. Blum has shown me your letter to him of December 31 in which you suggest some changes in paragraph 12 of the contract between the United States and the Northern Pacific for the construction of Grand Coulee Dam Railroad, which differ from changes suggested by me in a letter to Mr. Blum under date of December 1, a copy of which was sent to you. It is too late to make these changes unless they are absolutely vital, as Mr. Blum wrote Mr. Walter some time ago asking that paragraph 12 be changed in the manner that I suggested.

You suggest the elimination of the word "maximum". I retained it because you had used it. Would it be possible for the Government by reason of the use of the word "maximum" to compute any rate lower than that specified in the contract? Personally, I do not see how it could, but if it could, then we must ask for a revision of the contract even though it would be quite embarrassing to do so at this time.

Granting that the word "lawfully" would be better than "commercial", is there any possibility of "commercial" being misunderstood?

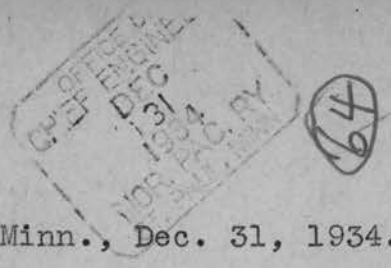
In Exception one you have inserted after the words "less land grant deduction" the words "applicable from Portland, Ore." It is important to know whether these words are necessary. Could a construction be put upon the clause which I suggested that would mean that from the Portland rate land grant deductions over routes from Seattle and Tacoma might be used? If that were done, would not the resulting rates be higher rather than lower than rates obtained by applying the proper land grant deduction to Portland rates?

D F LYONS
General Counsel.

L-b

Copy Mr. B. Blum

See DFL.



St. Paul, Minn., Dec. 31, 1934.

Mr. Bernard Blum,
Chief Engineer.

Replying to your letter of December 3 and returning enclosed draft of contract between the United States and the Northern Pacific Railway Company for the construction of Grand Coulee Dam Railroad, also draft of second contract between the United States, Northern Pacific Railway Co. and MWAK Co. for the use, operation and maintenance of the construction railroad:

In our view Mr. Lyons' criticisms with respect to Paragraph 12 are in order and modification of wording would be desirable. After careful consideration the following suggestions as to changes in this paragraph are offered:

1. Eliminate the words "maximum net cash" appearing in line one.

2. Eliminate word "commercial" in line nine and in the same line insert the word "lawfully" before the word "established".

3. Change Exception one immediately following line eleven to read:

   (1) From Seattle and Tacoma, Wash., the lawfully established freight rates applicable from Portland, Ore., over existing routes, less land grant deduction applicable from Portland, Ore., on iron and steel articles and machinery, shall apply.

4. Substitute the word "freight" for the word "maximum" in first line of Exception No. two dealing with rates on lumber and cribbing.

It is my feeling that the use of the word "maximum" in the proposed contract would tend to create the thought in the mind of a reader that lower rates may be found somewhere and perhaps raise with government clerks the question of whether or not these rates may be subject to land grant deductions. Special rates that are quoted are lower than tariff less land grant and we know that the Comptroller General will not pay more than the tariff less land grant, contract or no contract.

For these reasons and further because provision for changes by mutual agreement is contained in the concluding paragraph on Page 4, we feel the use of the word "maximum" serves no real purpose, is confusing and should be eliminated.

823-6 4084

St. Paul, Minn., Dec. 24, 1934

Mr. D. F. Lyons:

Your letter of the 22nd suggesting revision of Article 6 for the indemnity in the proposed contract for use, operation and maintenance of the government railroad from Odair to the Grand Coulee dam site.

I am transmitting your suggestion to Mr. Walter and I am sure that it will be agreeable to him as it simplifies matters for the government.

The Traffic Department has made no reply to my letter of December 3rd.

BHW:vp

873 16 4083

December 24, 1934

Mr. R. F. Walter, Chief Engineer,
Bureau of Reclamation,
Custom House,
Denver, Colorado.

Dear Mr. Walter:

Acknowledging your letter of December 13th in reply to mine of December 5th, suggesting certain revisions in the construction and use contracts for the government railroad from Odair to the Grand Coulee dam site -

Prompt reply to your letter has been delayed on account of the absence of our lawyer who had been handling this matter for the Northern Pacific.

The revisions that you suggest are satisfactory save that our lawyer suggests instead of providing in Article 6 of the contract covering the use, operation and maintenance of the government railroad that the contractor furnish an indemnity agreement, it would be simpler to include a provision for indemnity in Article 6 itself. This can be done by making Article 6 read as follows:

> "The contractor shall use, operate and maintain the railroad subject to the terms and conditions of the said contract dated November 19, 1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof in the place and stead of the United States, and the Contractor shall indemnify the Company from any and all claims or demands for injuries to or death of any and all persons whomsoever and for damage to property caused, or alleged to have been caused by defects in cars and equipment owned by the Company, and cars and equipment of others for which the Company is responsible, irrespective of the cause of such defects."

I think that you will agree that this simplifies the matter for the government and therefore you undoubtedly will have no objection to same.

I will be glad if you will revise the two forms of agreement according to my letter of December 5th and your letter of December 13th with the exception of Article 6 as covered above.

With best wishes for the holidays, I am

Very truly yours,

4082

OFFICE OF CHIEF ENGINEER DEC 24 1934 NOR. PAC. RY. ST. PAUL, MINN.

St. Paul, Minn., December 22, 1934.

Mr. Bernard Blum:

Referring to your letter of December 17 to Mr. Gemmell, copy to me, in regard to changes in contracts concerning Coulee Dam railroad.

I suggest that you advise Mr. Walter that the revisions that he suggests are satisfactory save that your lawyer suggests that instead of providing in Article 6 of the contract covering the operation of the railroad that the contractor furnish an indemnity agreement, it would be simpler to include the provision for indemnity in Article 6. This could be done by making Article 6 read:

> "The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of the said contract dated November 19, 1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof in the place and stead of the United States, and the Contractor shall indemnify the Company from any and all claims or demands for injuries to or death of any and all persons whomsoever and for damage to property caused, or alleged to have been caused by defects in cars and equipment owned by the Company, and cars and equipment of others for which the Company is responsible, irrespective of the cause of such defects."

While it is true that Article 17 covers assumption of risk by the United States, I would prefer to have the contract read as it now does so that the contractor assumes the obligations of Articles 13 to 19 inclusive. There are some things in Article 17 that I want to be sure are saved.

Has the Traffic Department made any reply to your letter of December 3? I return your papers.

D. F. Lyons.
General Counsel.

L-b
Enc.

At Baker, Montana,
December 17, 1934

Mr. R. E. Gemmell:

Attached letter from Chief Engineer Walter of the Reclamation Service replying to mine of the fifth suggesting certain changes in the drafts of agreements concerning the Coulee Dam Railroad.

I note Mr. Walter agrees to revising the first sentence of article 12 and exception No. 1 under the second sentence of article 12 as we asked him to do.

In connection with revision of article 13. I asked him to revise this article to recite the fact that a contract had been entered into by the Government with the Silas Mason Company for the construction of the dam. I wish you would refer this to Mr. Lyons and ascertain if the wording shown in the last paragraph of page one of Mr. Walter's letter is satisfactory. It seems to be so to me.

Also ascertain if the revision suggested by Mr. Walter for article 18, shown at the top of page two of his letter, is satisfactory.

In my letter of the fifth to Mr. Walter I asked him to include in the agreement for the operation of the railroad a provision requiring the contractor to furnish us with an indemnity agreement. Mr. Walter suggests that article 6 of the agreement be revised and I believe that covers the point I raised. However, we should have Mr. Lyons' definite approval on same.

If Mr. Lyons agrees that these changes are satisfactory, kindly notify Mr. Walter promptly over my name.

Edmund Blum

cc Mr. D. F. Lyons

There is another item that has just been brought to my attention. Article 17 of the two-party contract covers assumption of risk by the U.S. in case they should operate the railroad. Operating agreement provides the MWAK Co assumes the obligations of articles 13 to 19, inclusive, in place of the U.S. I am wondering it that should not be corrected to read articles 13 to 16 and 18 to 19 inclusive.

8731 "C"

4081

At Baker, Montana,
December 17, 1934

Mr. R. E. Commell:

Attached letter from Chief Engineer Walter of the Reclamation Service replying to mine of the fifth suggesting certain changes in the drafts of agreements concerning the Coulee Dam Railroad.

I note Mr. Walter agrees to revising the first sentence of article 12 and exception No. 1 under the second sentence of article 12 as we asked him to do.

In connection with revision of article 13. I asked him to revise this article to recite the fact that a contract had been entered into by the Government with the Silas Mason Company for the construction of the dam. I wish you would refer this to Mr. Lyons and ascertain if the wording shown in the last paragraph of page one of Mr. Walter's letter is satisfactory. It seems to be so to me.

Also ascertain if the revision suggested by Mr. Walter for article 18, shown at the top of page two of his letter, is satisfactory.

In my letter of the fifth to Mr. Walter I asked him to include in the agreement for the operation of the railroad a provision requiring the contractor to furnish us with an indemnity agreement. Mr. Walter suggests that article 6 of the agreement be revised and I believe that covers the point I raised. However, we should have Mr. Lyons' definite approval on same.

If Mr. Lyons agrees that these changes are satisfactory, kindly notify Mr. Walter promptly over my name.

BB:h
cc Mr. D. F. Lyons

There is another item that has just been brought to my attention. Article 17 of the two-party contract covers assumption of risk by the U.S. in case they should operate the railroad. Operating agreement provides the MWAK Co assumes the obligations of articles 13 to 19, inclusive, in place of the U.S. I am wondering it that should not be corrected to read articles 13 to 16 and 18 to 19 inclusive.

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF THE CHIEF ENGINEER

7

December 13, 1934.

OFFICE OF CHIEF ENGINEER
DEC 15 1934
NOR. PAC. RY.
ST. PAUL, MINN.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

I have your letter of December 5, 1934, in the matter of the two forms of contract between the United States, the Northern Pacific Railway Company, and others, covering construction, use, operation and maintenance of the government railroad from Odair to the Grand Coulee Dam site.

I see no objection to revision of the first sentence of Article 12, and exception (1) under the second sentence of that article, in the contract covering construction of the railroad, as these revisions are set out in your letter.

I also believe therewill be no objection to revising Article 13 of this contract to recite the fact of the entering into of the contract on July 16, 1934, with the construction contractors, whereby they are required to operate and maintain the railroad after its completion. This might be accomplished by eliminating the second sentence of the present article and substituting the following:

> The United States having heretofore under date of July 16, 1934, entered into a contract (Symbol No. I2r-4359) with Silas Mason Company, Inc., a New York corporation, the Walsh Construction Company, an Iowa corporation, and the Atkinson-Kier Company, a partnership consisting of Guy F. Atkinson, George H. Atkinson, William E. Kier and Elmer L. Kier of San Francisco, California (for convenience now styled collectively the Contractor), wherein it is provided in paragraph 51 of Specifications No. 570, made a part of the said contract, that the Contractor will operate and maintain the railroad after its completion, the Contractor will be required to provide reasonable service thereunder for handling the business of the United States and others during the period of the said contract.

Article 18 could also be revised to read:

> The Contractor for operation of the railroad, as referred to in Article 13, shall furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

As to this last revision and to meet your view, as set out in the last paragraph of your letter, it is believed that Article 6 of the contract covering the use, operation and maintenance of the railroad, might be revised to read:

> The Contractor shall use, operate and maintain the railroad subject to the terms and conditions of the said contract dated November 19, 1934, and hereby expressly assumes the obligations of Articles 13 to 19, inclusive, thereof, in the place and stead of the United States, and shall furnish to the Company the indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible, as provided in Article 18 of the said contract.

If these revisions and the drafts as amended are now satisfactory to you, kindly advise by wire so that early approval may be secured from the Secretary.

Very truly yours,

R. F. Walter

R. F. Walter,
Chief Engineer.

8731-C

Saint Paul, December 5, 1934

Mr. W. J. Stevenson:

I have your letter of November 30, file 1-11867, which I do not believe is a reply to my letter of November 27:

You state that it would not be possible to bill demurrage charges against the Reclamation Service as they are neither consignee nor consignor. I do not know where that information was obtained. The facts are that the Northern Pacific is the consignor and the rail was billed to me at Odair. At Odair we turned it over to the Reclamation Service, with whom we have a contract. Mr. Ryan does not enter the picture insofar as the Northern Pacific is concerned.

In my letter of November 27 to you I quoted the demurrage clause in the agreement with the Reclamation Service, namely the average basis for settling would govern. Accordingly until statement is made up showing the situation with respect to receipt and delivery of all cars I cannot approve any individual demurrage bills.

I have not said anything to the Agent a bout the handling of these bills but when the shipment of rail started I informed the Superintendent fully of the situation.

BB:h

cc Mr. J. H. Johnson

8731 -b

December 5, 1934

Mr. R. F. Walter,
Chief Engineer,
U.S. Deptl of Interior,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Mr. Walter:

I received your letter of November 20th with several copies of two forms of contract between the United States, the Northern Pacific, and others, covering construction of the government railroad from Odair to the Grand Coulee Dam site, Washington, and for the use, operation and maintenance of the said railroad.

Both forms of agreement were submitted to our General Counsel for approval and he has returned same with the following suggestions:

Agreement 12r-4530, contract between the United States and the Northern Pacific for the construction of railroad from Odair to the Grand Coulee Dam site. Article 12. While this article is in accordance with the draft I submitted to you August 10th, since that date a condition has arisen which makes it most desirable that the wording of the several paragraphs with respect to rates be identical. I think there is no question as to the understanding that you, Mr. Stevens, Mr. Clark and I had about these rates, but as you know, the interpretation of the contract will lie in other hands, and in connection with another matter entirely, the government made an interpretation of a contract that was not in accordance with the understanding of the railway companies involved. For that reason we desire that Article 12 be revised as follows:

Revise first sentence to read — "The following maximum rates, in cents per hundred-weight, are hereby established by the Company on cement moving over existing rail routes, etc. etc."

Revise exception (1) under the second sentence which covers the freight rate on the balance of the items of materials, supplies and equipment, to read as follows:

"(1) From Seattle and Tacoma, Washington, the established commercial freight rates applicable from Portland, Oregon, over existing routes, less land grant deduction, on iron and steel articles and machinery shall apply".

With the above changes the several paragraphs bearing on rates will be consistent with each other and therefore prevent a ruling from any Bureau that a different construction should prevail.

In regard to Article 13. This article was written before agreement was made between the United States and Silas Mason Company, et al., for construction of the dam. Second sentence of Article 13 states "If contracted, the Contractor will be required, etc." Since you have entered into such a contract, which according to your advice is dated July 16, 1934, namely that the Contractor shall operate and maintain the railroad after completion, should not Article 13 be revised to recite thatfact?

In regard to the contract between the United States, the Northern Pacific, the Silas Mason Company, et al. That, of course, is a new agreement which we have not heretofore seen. We believe it is satisfactory with one exception, as follows:

In the construction contract there is provided, Article 18, that the United States agrees that in any contract it may enter into for the operation of the railroad it will insert in said contract a provision requiring the contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible. It therefore seems to me not only desirable but necessary, in order to conform with the provisions of the construction contract, that you include in the use, operation and maintenance contract an article under which the Contractor agrees to indemnify and hold the Company harmless against such claims. I would be glad if you would arrange to have it revised accordingly.

Yours truly,

BS h

(84)

December 5, 1934

Mr. R. F. Walter,
Chief Engineer,
U.S. Deptl of Interior,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Mr. Walter:

I received your letter of November 20th with several copies of two forms of contract between the United States, the Northern Pacific, and others, covering construction of the government railroad from Odair to the Grand Coulee Dam site, Washington, and for the use, operation and maintenance of the said railroad.

Both forms of agreement were submitted to our General Counsel for approval and he has returned same with the following suggestions:

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In regard to the contract between the United States, the Northern Pacific, the Silas Mason Company, et al. That, of course, is a new agreement which we have not heretofore seen. We believe it is satisfactory with one exception, as follows:

In the construction contract there is provided, Article 18, that the United States agrees that in any contract it may enter into for the operation of the railroad it will insert in said contract a provision requiring the contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible. It therefore seems to me not only desirable but necessary, in order to conform with the provisions of the construction contract, that you include in the use, operation and maintenance contract an article under which the Contractor agrees to indemnify and hold the Company harmless against such claims. I would be glad if you would arrange to have it revised accordingly.

Yours truly,

EB h

Saint Paul, December 3, 1934

Mr. R. W. Clark:

We finally received back from Mr. Walter draft of contract between the United States and the Northern Pacific for the construction of the Grand Coulee Dam Railroad. Together with that contract was draft of second contract between the United States and the Northern Pacific and the MWAK Company for the use, operation and maintenance of the construction railroad.

I sent the drafts to Mr. Lyons and he has returned same unapproved with his letter of the first, copy of which I am enclosing. Please note particularly Mr. Lyons criticisms of paragraph 12 of the construction contract. In accordance with the last paragraph of Mr. Lyons' letter will you kindly have this matter carefully checked and return with your approval or criticisms as early as possible. As you know, the form of contract has been under discussion for several months, the government itself having held the draft for over three months.

I am attaching copies of both contracts which I wish you would return as only the necessary copies for execution were sent me by Mr. Walter.

BB:h

cc Mr. H. E. Stevens
Mr. D. F. Lyons

Send cy to R.W.C. today with L. & changes in P IV

St. Paul, Minnesota, December 1, 1934.

Subject:
Finance Docket No. 10212. Grand Coulee Dam
Application. (2191 ICC)

Mr. Bernard Blum:

Answering your letter of November 26 and returning all copies of drafts of proposed contracts with Bureau of Reclamation:

Referring first to the contract between the United States and the Northern Pacific for the construction of the branch line:

I think the language of paragraph 12 should be changed to prevent any misunderstanding. I know that there could be no misunderstanding between the Reclamation Bureau and the Northern Pacific as the contract follows Mr. Clark's letter of April 4, 1934 to Mr. Walter, Chief Engineer, and is undoubtedly in line with the discussions. However, the interpretation of the contract will lie in other hands and the railroads recently have had an unpleasant experience. They entered into an agreement for rates with one Government officer and later on the Comptroller General put an entirely different interpretation on the contract. My suggestions in regard to paragraph 12 are these: In the first line of 12 the words "maximum net cash freight rates" appear. I think we generally use the expression "net cash freight rates" as indicating tariff rate less land grant deduction. Here the phrase is being applied to rates which are not land grant rates but are less - are in fact special rates established for the Government. I suggest that the expression "maximum rates" be used instead of "maximum net cash freight rates."

Following the provision for cement rates there is a sentence which states the rates on the balance of the items of material, supplies and equipment with two exceptions. The rates so stated are "the established commercial freight rates over existing routes less land grant deduction." The Act of June 7, 1924, which provides for land grant deductions, uses the phrase "tariff or lower special rates for like transportation performed for the public at large."

If the word "commercial" means the same thing as what I have quoted from the Act of June 7, 1924, and I imagine it does, I think there is no necessity for using the longer descriptive phrase contained in the Congressional Act. In the first exception, having just used one phrase to describe a land grant rate, you changed to the phrase "net cash rate." In order to make it clear that you are referring to the same kind of rate in the first exception that you referred to when prescribing rates for other items of material, I suggest that the first exception read "from Seattle and Tacoma, Washington, the established commercial freight rates applicable from Portland, Oregon, over existing routes, (less land grant deduction) on iron and steel articles and machinery shall apply." The language used in the second exception is correct, namely, "maximum rates" and is the same phrase that I have suggested that you use in the first line of (1).

Paragraph 13 is objectionable for two reasons. In the first place it says "if contracted" the contractor will be required, etc. The other contract which you submit, namely, the one between the United States, the Railway Company, Silas Mason Company, et al., in paragraph 3 recites that it is provided in the contract of July 16, 1934 with the contractor that the contractor will operate and maintain the railroad after completion. There is just as much reason why the contract which we are considering should recite the fact that a contract has been entered into. My second objection is the provision that the contractor will be required to provide reasonable service covering the business of "others". Does this mean that the M-W-A-K Company is to be compelled to become a common carrier? There is nothing in the specifications which suggests that the contractor should become a common carrier and I would not think the contractor would want to do so. If the Northern Pacific were to take over the obligations of the M-W-A-K Company with respect to operating the line, paragraph 13 might be interpreted to compel us to operate a common carrier service. We might find it advisable merely to operate as a private carrier handling the business of the contractor. I think it would be safer to omit the second sentence in paragraph 13.

Referring now to the contract between the United

States, the Northern Pacific, Silas Mason Company, et al: I think this is not quite comprehensive enough. It is correct to have the contractor put in the place of the United States with respect to the obligations undertaken by the United States under articles 13 to 19 of the railroad construction contract, but in paragraph 18 of that contract there is a requirement that the Government in any contract it may enter into for the operation of the railroad will insert a provision requiring the contractor to furnish the company with an indemnity agreement protecting the company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the company, and cars and equipment owned by others for which the company is responsible. I think that the contract should have a paragraph in which the contractor specifically agrees to hold the railway company harmless against all such claims and to indemnify the company against any amounts that it may pay on claims arising out of alleged defects in equipment.

I enclose an extra copy of this letter so that you can have the Traffic Department check what I have said about paragraph 12 and be certain that it is in proper form.

E

D. F. Lyons.

General Counsel.

L-m
Encs.

CC- Mr. H. E. Stevens

8731 C

St. Paul, Minn., November 30, 1934

1-11867

MR. BERNARD BLUM:

Replying to your letter of November 27th and returning inclosures.

It would not be possible to bill these demurrage charges against the Reclamation Service, as they are neither consignee nor consignor and it appears that Mr. Ryan should pay these bills and if proper to collect them from some other person, he should so arrange.

M J Stevenson

wjs-r

8731 4080

Saint Paul, Minn.,

November 28, 1934.

MR. D. F. LYONS:

Mr. Blum has sent me copy of his letter to you of November 26th transmitting draft of contract covering the construction and operation of the government railroad between Odair and the Head of the Coulee.

You are familiar with the discussion we have had about operation of the railroad either by the Northern Pacific for the contractors, or by the contractors in the handling of interchange business with the Northern Pacific at Odair.

I have not seen the contract but in returning it, I would appreciate any suggestions you have to offer as to modifications required, if any, to permit working out the arrangements we have discussed.

I presume if either plan is finally agreed upon it would be necessary to work out still another contract tc cover that specific arrangement and that the present draft of contract should go through about as they stand.

Copy Mr. Bernard Blum

H. E. STEVENS

B.

4079-

St.Paul Minn. November 27, 1934.

Mr.H.E.Stevens-

Herewith blueprint copies of -

Proposed Contract dated 19th November with the United States covering construction of line from Odair to the Grand Coulee Dam

Proposed contract dated 19th November with the Silas Mason Co. Inc, Walsh Construction Co and the Atkinson Kier Company covering the use operation and maintenance of the said line

Bernard Blum

Enc.

46578

Contract of November 19. 1934 -

Articles 1 to 6
Recitals

The United States proposes to construct a railroad from Odair to the Grand Coulee Dam Site and that it is contem plated that the Contractor for the dam will operate and maintain the line after completion- That the Railway Company will turn over to the United States without charge all data covering surveys and will furnish without charge rail and fastenings xx to the extent outlined and will establish freight rates on certain materials.

Articles 7-8-9-10-11

It is therefore agreed
That the United States will furnish right of way and construct the xx line to the Dam site and that the Railway Company will turn over the data covering surveys and will stake out the line on the ground and will furnish rail etc

Article 12-

Covers the freight rates to be charged on certain materials from certain points to Odair

Article 13

Operation and maintenance will be under the direct supervision and control of the United States. If contracted, the contractor will be required to provide reasonable service thereon for handling the business of the United States and others during the contract period

Article 14

Provisions for interchanging cars

Article 15

Provisions as to demurrage

Article 16 United States to be responsible for loss and damage to cars and equipment

Article 17

In the event that the United States operates the line the Railway does not assume any liability for injury or death of persons or damage to property

Article-18

If operation contracted the provisions of Article 17 shall apply to the contractor who will be required by the United States to furnish the Railway Company an indemnity agreement

Article 19

Railway Company shall provide employees and facilities for

maintaining and operating interchange facilities at Odair

Article 20

Provisions as to return of rail etc. after completion of the dam and plant

Article 21-

Provisions as to members of Congress etc not to be admitted to any share or benefit in the contract

Article 22

Performance by the United States of any obligation of the contract involving the expenditure of money is dependent on the availability of appropriated funds

The specifications to the contract between the United States and the contractor for the dam provide-

Paragraph 51 Specifications 570

That upon completion the railroad will be turned over to the contractor who shall accept the railroad and assume its operation and maintenance and shall haul all material delivered to the contractor by the Government as provided in paragraph 30 for use in the construction of the dam and power plant and the entire cost shall be included in the prices bid in the schedule for the items of work in the performance of which ~~used~~ the railroad is used.

In addition to the materials to be transported over the railroad as above specified the contractor shall also transport in either direction all materials of every kind and nature required to be transported for the Government or for other contractors or agents of the Government engaged on work on any part of the Columbia Basin project.

The line is a private line of the Government built for the specific purpose of the dam construction and the contractor is only required to transport materials for the Government or for other contractors or agents of the Government as above set out. It would not seem that the public could call on the Government to accept freight and passengers as in the case of a common carrier.

The schedule of rates to be paid for transportation-Items 77 to 81 supports this as it indicates rates to be paid

"For transporting freight of all kinds on the construction railroad for the Government or its agents other than the Contractor"

In our contract with the Government we agree to turn over the surveys, stake out the line and furnish rail etc. and fix the rates to be charged on certain materials for the construction railroad

which the Government is to build and to interchange cars with it.

The existence of this agreement therefore does not appear to me to be any reason why the Railway cannot enter into a contract with the Government or its contractor to operate the Government's construction line, if it could otherwise do so, that is if its charter permits it to operate a railway not as a common carrier.

Nov 28 1934 REG

8731-26

Saint Paul, November 27, 1934

Mr. W. J. Stevenson:

Attached freight bills for demurrage on N.P. cars 67303, 63135, 69779 and 61149, each for one day at $2.00 shown as chargeable to the R. D. Ryan Construction Company. I presume this should be the David H. Ryan Construction Company.

Any demurrage that we may have should I think be billed against the Reclamation Service in charge of Mr. Frank Banks, Construction Engineer at Elmira, Washington, as we have a contract with the Reclamation Service for the furnishing of this material. Paragraph 15 of the form of agreement, which is now in process of execution, provides as follows:

> "All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2639, B. T. Jones, Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars."

It would therefore seem to me that the government, before accepting the attached demurrage charges, will insist on statement showing credits on other cars.

BB:h

cc Mr. J. H. Johnson

40 77

Saint Paul, November 27, 1934

Mr. W. J. Stevenson:

Attached freight bills for demurrage on N.P. cars 67583, 63155, 69779 and 61149, each for one day at $2.00 shown as chargeable to the R. D. Ryan Construction Company. I presume this should be the David H. Ryan Construction Company.

Any demurrage that we may have should I think be billed against the Reclamation Service in charge of Mr. Frank Banks, Construction Engineer at Elmira, Washington, as we have a contract with the Reclamation Service for the furnishing of this material. Paragraph 15 of the form of agreement, which is now in process of execution, provides as follows:

> "All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariff 4-N, I.C.C. No. 2659, B. T. Jones, Agent, naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars."

It would therefore seem to me that the government, before accepting the attached demurrage charges, will insist on statement showing credits on other cars.

BB:h

cc Mr. J. H. Johnson

8.731 "36"

4076

OFFICE OF CHIEF ENGINEER NOV 27 1934 U.S.R.R.C. BY ST. PAUL, MINN.

St. Paul, Nov. 26, 1934..

Mr. Bernard Blum:

Proposed agreement with the U. S. Government covering construction of branch line into the Coulee District provides, paragraph #11 page 3, that "demurrage agreement hereinafter provided for will apply to cars of track material after acceptance by the U. S.", and paragraph #15 page 5 provides that cars shall not be deemed subject to demurrage unless placed on designated tracks (see paragraph 14) as may be mutually agreed upon between the US and Superintendent of the Company when they shall be considered as being in possession of the U S and during which time only demurrage can accrue, allowing for free time etc.

The attached four freight bills which carry demurrage charges have been sent to this office for certification as to collection of charges from the U S but presume before disposing of these bills that Superintendent will have to be advised as to provisions of the contract insofar as they relate to demurrage and have him furnish information as to where cars were spotted.

Think Auditor Agencies should also have abstract of agreement pertaining to demurrage for his guidance in rendering demurrage bills.

J. H. Rochon.

8731 "b"

Saint Paul, November 26, 1934

Mr. D. F. Lyons:

I have finally received back draft of proposed contract with the Bureau of Reclamation to cover the Grand Coulee Dam Railroad. Several minor changes in the draft that we sent Mr. Walter were suggested by the Bureau and we approved same, and they have been incorporated in the redraft.

Mr. Walter has asked that both copies be executed on the part of the Railway Company, and the signature attested, under the corporate seal, by the Secretary, also proper evidence of the authority of the person signing the contract should be returned with the contract.

There was one alteration in section 17 that was not brought to our attention, which is as follows:

The original wording stated - "The Company does not and shall not assume any liability for injury to or death of persons whomsoever or loss of or damage to property whatsoever, when such injury, etc. etc."

This has been altered to read - "The Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property when such injury, etc.etc."

In my opinion the change is an improvement and, as I recall it, we simply copied the original draft of the government.

You will undoubtedly desire to check and approve this draft and I would be glad if you would forward direct to Mr. Stevens if it is satisfactory to you.

The Bureau transmitted with the draft of contract to which they have given the symbol No. 12r-4530, another form of contract between the United States, the Railway Company, the Silas Mason Company, The Walsh Construction Company and the Atkinson-Kier Company for the operation and maintenance of the construction railroad. This form of contract is pursuant to the construction contract between the United States and the Contractors and which arrangement we understood would be brought about as evidenced in paragraphs 15 and 18 of the contract between the United States and the Northern Pacific. I see nothing in the contract between the United States, the Railway Company and the Contractors that is objectionable. It substitutes the Contractors for the United States but under paragraph 7 the United States is required to reassume its obligation in case the Mason-Walsh Company fails or

refuses to carry out the obligations it assumes under the second contract.

This second contract should be executed in the same manner as the one between the United States and the Northern Pacific, and such execution should be in quintuplicate, returning all copies for execution by the United States and the Contractors after we have executed same. I would be glad to have you pass this form on to Mr. Stevens with the first contract.

BB:h

cc Mr. H. E. Stevens

4075

Saint Paul, November 26, 1934

Mr. D. F. Lyons:

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In my opinion the change is an improvement and, as I recall it, we simply copied the original draft of the government.

You will undoubtedly desire to check and approve this draft and I would be glad if you would forward direct to Mr. Stevens if it is satisfactory to you.

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This second contract should be executed in the same manner as the one between the United States and the Northern Pacific, and such execution should be in quintuplicate, returning all copies for execution by the United States and the Contractors after we have executed same. I would be glad to have you pass this form on to Mr. Stevens with the first contract.

BB:h

cc Mr. H. E. Stevens

4074

Mr Blum-

The form of contract submitted for execution agrees with our draft attached except-

Clause has been added to Sec 15, as marked in lead pencil but you, while not thinking this necessary advised Mr Harper no objection-See you letter and wire to him October 29th

Section 17- The wording has been slightly changed. Our draft said

"The Company does not and shall not assume any liability for injury to or death of persons whomsoever or loss of or damage to property whatsoever, when such injury etc. "

any

This has been altered to read

" The Company does not and shall not assume any liability for injury to or death of any person or persons or loss of or damage to any property when such injurt etc "

The other contract with the Silas Mason Co and others requires

The contractors to ~~maintain~~ use operate and maintain the railroad subject to the terms and conditions of the above contract between the Railway and the United States and assume the obligations of Articles 13 to 19 inclusive in the place and stead of the United States

The Railway Company recognizes the contractors in the place and stead of the United States as solely liable to the Company in the use operation and maintenance of the railroad and for any breach of the obligations undertaken by the United States under Articles 13 to 19 inclusive with provision that should the contractors fail or refuse to carry out the obligations so assumed the United States shall resume such obligations upon notice from the Railway

Nov 24 1934 REG

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

(93)

OFFICE OF THE CHIEF ENGINEER

November 20, 1934.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

There is enclosed, in duplicate, for execution, form of contract with your company for construction of a standard-gauge construction railroad from Odair, Washington, to the Grand Coulee Dam Site. The contract follows the proposed draft, with such modifications as have been approved by you, and which form, so changed, has been approved by the Secretary of the Interior and Federal Emergency Administrator of Public Works.

The contract should be executed in duplicate by an officer of the company authorized to do so, and such signature attested, under the corporate seal, by the secretary. Proper evidence of authority of the person signing the contract, should be returned with the contract.

There is also enclosed, in quintuplicate, for execution, form of contract with your company and the Silas Mason Company, Inc., the Walsh Construction Company, and the Atkinson-Kier Company, covering the use, operation and maintenance of the said construction railroad. This contract should be executed in the same manner as above described, and the accompanying certificate should be executed, under corporate seal, by the secretary. A similar certificate may be furnished in connection with the construction contract.

Kindly return all papers, when executed. You will be furnished with duplicate-originals of the two contracts in due course.

Very truly yours,

R. F. Walter

R. F. Walter,
Chief Engineer.

Enclosures.

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED ___ M.

8731-C

St Paul, Nov. 6, 1934

Bernard Blum

Car 12 - Tacoma, Wash.

Terrell's estimate Nov. 3rd Operating cost Grand Coulee Line. Think it will be necessary to provide second locomotive in crew for at least forty percent of construction period. D-168

J T Derrig

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8231 A. M.

181 CF N

SEATTLE NOV 5 34

R E GEMMELL
OPR PHONE
STPAUL

L2491

M 318 AM SENDING MR STEVENS FILES HE REQUESTED STOP I DID NOT RETURN TO STPAUL EXCHANGE OF MESSAGES WITH MR HARPER ABOUT DEMURRAGE ON CARS DATED SPOKANE OCTOBER 29 STOP WISH YOU WOULD SEND THESE TO MR STEVENS ON TRAIN ONE TOMORROW MORNING B-52

B BLUM

740PM

Ack Rec'd 8 30 1

Car 9 — Spokane

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

8731 C

St Paul, Nov. 5, 1934.

Bernard Blum

Car 12 - Seattle

Referring to Mr. Stevens S-53 to you at Seattle about sending to him at Spokane certain files Coulee Dam line. You have specifications and file about contract with government 8731-C. I think correspondence about bids is on 8731 part three which you have. Have nothing to send from here. Please advise. M-318

R E Gemmell

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

gie

Belfield Nov 5 1934

106-Bernard Blum St Paul
107-Bernard Blum Car 12 Seattle

Send to me at Spokane your files covering contract with Government for construction of railroad to Coulee and specifications and bids which the reclamation service obtained for the construction of the dam S-53 Copy BB St Paul BB Seattle

H E Stevens

436pm

4073

St. Paul, Minn.,
Nov. 3rd, 1934

Mr. Bernard Blum:

As per your request sometime ago in regard to making an estimate on cost of handling traffic over the Coulee Line.

I first looked up some of our contractors bids for hauling cars on new line construction and they are as follows:

Orofino line $1.00 per car mile, including inbound and outbound mileage.
Rosebud line $0.65 per car mile, including inbound and outbound mileage.
Redwater line $0.30 per car mile, including inbound and outbound mileage.

We give above only for rough comparative purposes.

The basis on which I will follow is on the cost of train service for hauling over a period of five years, 23,000 carloads.

Estimated on basis of 6 round trips a week using "W" Engine, 10 hour work train day.

Class "W" Engine, Local Freight for 10 hour day

| | | | |
|---|---|---|---|
| Train Crew | $ | $ | $ |
| One Conductor | 10.05 | | |
| Two Brakeman | 16.36 | 26.41 | |
| Engine Crew | | | |
| One Engineer | 12.18 | | |
| One Fireman | 9.29 | 21.47 | 47.88 |

Class "W" Engine, Local Freight for 10 hour day - (Cont'd)

| | | |
|---|---|---|
| Other Expense | | |
| Fuel | 15.80 | |
| Water | 1.40 | |
| Lubricants | 0.40 | |
| Supplies | 0.22 | |
| Repairs | 15.20 | 32.62 |
| Total Train Service | - | 80.50 |
| Engine Watchman | 4.02 | |
| Pumper (8 hour day) | 2.93 | 6.95 |
| Overhead Charges. (Opr.Exp., Gen. Exp., Supt., Sta.& Print. injuries to person) 12.94% plus 7.71% - 20.65% x $54.83 | | 11.32 |
| Engine Rental "W" Engine (outside Rate) | | 46.60 |
| GRAND TOTAL | | $145.37 |

On above basis, cost of Engine of 10 hours, total cost of operating for 5 years at 6 days per week will be as follows:

| | |
|---|---|
| 1560 days of Train Service @ $94.75 | $147,810.00 |
| 1820 " " Watchman @ $4.02 | 7,316.40 |
| 1820 " " Engine Rental @ $46.60 | 84,812.00 |
| 1820 " " Caboose " @ $1.50 | 2,730.00 |
| Dead heading Crew account change of personal 6 times per year entire crew 60 x $36.94 | 2,216.40 |
| Running in for washouts, once a month, 60 round trips @ $87.34 | 5,240.40 |
| Total | 250,125.20 |
| Miscellaneous 5% | 12,506.26 |
| Total Cost of train service for 5 years | $262,631.46 |

Cost per car $262,631.46 ÷ 23,000 - $11.42
" " " Mile $11.41 ÷ 56 mile- 0.204

Class "W" Engine, Local Freight for 10 hour day - (Cont'd)

Total Cost including Track Maintenance

| | | |
|---|---|---|
| Train Service | | $262,631.46 |
| Track Maintenance 650.00 per mile x 28 mile x 5 years | - 91,000.00 | |
| Supr.,Stat.& Print., injuries to persons 7.71% of $91,000.00 | - 7,016.10 | 98,016.10 |
| Total Operating & Maintenance Expenses for 5 years - | | $ 360,647.56 |

Cost per Car $360,647.56 ÷ 23,000 - $15.68
" " " Mile $15.68 ÷ 56 miles- 0.28

The above figures are based on the supposition that we will get at least 23,000 cars to haul, if not, we should receive at a minimum the total amount of money of $360,646.00 any excess cars to be paid for at the agreed rate.

The company should be protected in that if any excess material is needed to fill out shoulders or taking care of washouts due to any cause whatsoever it will be paid for at full cost plus 10%.

If the material is so bunched that it would cause us to put on extra train service that is more than one train for one round trip for 6 days per week this extra service will be paid for at full cost plus 10%.

---

Your wire concerning working under NRA Rules would limit us to 4 trips a week of 10 hours. Working on that basis the set up would be as follows:

| | | | |
|---|---|---|---|
| **Train Crew** | $ | $ | $ |
| One Conductor | 13.20 | | |
| Two Brakeman | 26.40 | 39.60 | |
| **Engine Crew** | | | |
| One Engineer | 13.20 | | |
| One Fireman | 13.20 | 26.40 | 66.00 |
| **Other Expenses** | | | |
| Fuel | 15.80 | | |
| Water | 1.40 | | |
| Lubricants | 0.40 | | |
| Supplies | 0.22 | | |
| Repairs | 15.20 | | 32.62 |
| Total train service - | | | 98.62 |
| 2 Engine Watchman 8 hours each @ 1.20 per hr. | 19.20 | | |
| 1 Pumper 8 hours @ 1.20 per hr. | 9.60 | | 28.80 |
| Total | | | 127.42 |
| Overhead (Opr.Exp., Gen.Exp., Stat.& Print., injuries to person) 12.94% plus 7.71% - 20.65% of $94.80 | | | 19.58 |
| Engine Rental "W" Engine (outside Rate) | | | 46.60 |
| Grand Total cost per 10 hour day | | | $193.60 |

On the above basis Cost of Engine of 10 hour, total cost of operating for 5 years at 4 days per week will be as follows:

| | | |
|---|---|---|
| 1040 days of train service @ $127.80 | $132,912.00 | |
| 1820 " " 2 watchman @ 19.20 | 34,944.00 | |
| 1820 " " Engine Rental @ 46.60 | 84,812.00 | |
| 1820 " " Caboose " @ 1.50 | 2,730.00 | |
| Deadheading crews acct. of Change in personal 6 time per year entire crew 60 x $48.00 | 2,880.00 | |
| Running in for washouts once a month 60 round trips $122.84 | 7,370.40 | |
| Total | 265,648.40 | |
| Miscellaneous 5% | 13,282.42 | |
| Total Cost of Train Service for 5 years | | $278,930.82 |

Cost per car $278,930.82 ÷ 23,000 cars - $12.13
" " car mile $12.13 ÷ 56 mile - 0.217

Total Cost including Track Maintenance

| | | |
|---|---|---|
| Train Service | | $278,930.82 |
| Track Maintenance, $1200.00 per mile x 28 miles x 5 years | 168,000.00 | |
| Supt., Stat.& Print. injuries to person 7.71% of 168,000.00 | 12,952.80 | 180,952.80 |
| Total Opr. & Maintenance Exp. for 5 years | | $459,883.62 |

Cost per car $459,883.62 ÷ 23,000 - $20.00
" " car mile 20.00 ÷ 56 miles- 0.357

The above estimated cost only include 4 trips a week to stay in the 40 hour limit which if the cars were equally divided would be about 22 cars per day - we know that the loads will not come this regular and I do not think that four trips a week will be sufficient, if the 40 hour law per week can be gotten around on a 6 trip per week basis, the figures would be roughly as follows:

Total cost of train service 6 days per week
for 5 years - $348,709.62

Cost per car $348,709.62 ÷ 23,000 - $15.16
" " car mile $15.16 ÷ 56 mile - 0.271

Total cost including track maintenance

| | |
|---|---|
| Train Service | $348,709.62 |
| Track Maintenance | 180,952.80 |
| Total Operating & Maint. Exp. 5 years | $529,662.42 |

Cost per car $529,662.42 ÷ 23,000 - $23.03
" " car mile $23.03 ÷ 56 mile - 0.411

The error in the above set up is that we do not know how this material is coming, most of it may come in a couple of years and will require more train service at that time which would make it a costly operation.

H. C. Tapell

Valuation Engineer

4072/ 873.16

On P&L Branch, Nov. 2, 1934

Mr. H. E. Stevens:

I have talked with Mr. Silas Mason and Colonel Whittson about operation of the Coulee Dam Railroad. They expressed a hope that the Northern Pacific would decide to operate the railroad for them. I kept away from that question and told them I understood they had recently talked with Mr. Coman about the matter, but that I was interested in having them handle commercial car loads from Odair to the head of the Grand Coulee.

Reference was made to the contract between the railway company and the government which, as you know, is now in the hands of the government for execution. I assurred them that that agreement provided that they could handle such commercial shipments. Colonel Whittson finally stated that if the deal for the Northern Pacific to operate the railroad did not go through the MWAK Company would haul from Odair to the head of the Coulee commercial car loads at a reasonable price provided it is permitted by the government. I assurred them that the agreement between the government and the railway permitted that. Mr. Mason confirmed Colonel Whittson's statement.

In view of the suggestion that we operate the railroad for them, I did not think it wise to bring up the question of rates as what I might say with respect to handling additional cars in their regular trains would not be a fair criterion of what we should charge them for operating the entire railroad.

RB h

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

11/2/34 4011

Mr. T. A. Murphy, GA:

Mr. Silas Mason and Colonel Wittson stated that if the proposal of the Northern Pacific to operate the railroad does not go through the MWAK Company will haul from Odair to the head of the Coulee commercial carloads at a reasonable price, provided it is permitted by the Government. Assured them that the agreement between the railway and the Government permitted such hauling by the MWAK Company to be done.

Bernard Blum,

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8731 6 M.

St. Paul, Minn., Nov. 1, 1934

Bernard Blum
Car 12
Oro Fino, Idaho

B-11 Terrell promises estimate tomorrow or Saturday

Will review and forward to you with my comments D-156

J T DERRIG

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

SF X

OAKESDALE NOV 1 1934

60 JTDERRIG
61 ACTERRELL

STPAUL

D 152 I HAVE HAD TERRELL WORKING ON THAT FOR PAST WEEK NOT NECESSARY TO DUPLICATE SKILLED LABOR $ 1.20 PER HOUR COMMON LABOR 50 CENTS PER HOUR . ORIG JTD CY ACT B 11

B BLUM

104P

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

8731 C

St. Paul, Oct. 31, 1934

Bernard Blum
Car 12 - Spokane

Mr. Sloan wants set up of Operating cost for handling trains Coulee Branch predicated on government restrictions which would be applicable if we subcontracted operation from government contractor. We do not have copy of contract and specifications.

Kindly give me rates by wire if possible and send in copy of government specifications which I understand includes rates to be paid by contractor. D-152

J T Derrig

cc - Mr. W. C. Sloan

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

Seattle Nov. 5, 1934

R E Gemmell

Opr phone
St Paul

M-318 Am sending Mr. Stevens files he requested stop I did not return to St. Paul Exchange of messages with Mr. Harper about demurrage on cars dated Spokane October 29 stop Wish you would send these to Mr. Stevens on train one tomorrow morning B-52

B Blum

Mr Stevens - Herewith BOB 11/6

8731 a 16

At Spokane, Wash.,
October 29, 1934

Mr. S. O. Harper,
Acting Chief Engineer,
Reclamation Service,
Customhouse,
Denver, Colorado

Dear Sir:

My office wired me on receipt of your letter of the twenty-sixth about adding a clause in paragraph fifteen of the proposed contract between the United States and the Northern Pacific covering the Grand Coulee Dam Railroad. Attached is confirmation of my wire to you of this date.

I do not believe the additional sentence is necessary as in paragraph fourteen it is stated that interchange will be made at Odair in the manner customary among railroads. When the cars are returned empty by the United States they are to be delivered on one of the tracks that will be assigned for the purpose at the Odair interchange yard. They then become the obligation of the Northern Pacific, which is the customary way of handling, and as paragraph fifteen covers the demurrage I believe that would also meet the situation you have in mind.

In my telegram I stated that if you insisted on including the sentence, it should read "but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for use of the Company at Odair and may be removed from such interchange yard". The purpose of inserting the words "at Odair" is obvious.

Yours truly,

MB h

1206 A

CLASS OF SERVICE DESIRED

| DOMESTIC | | CABLE | |
|---|---|---|---|
| TELEGRAM | | FULL RATE | |
| LETTER | | DEFERRED | |
| NIGHT MESSAGE | | NIGHT LETTER | |
| NIGHT LETTER | | WEEK END LETTER | |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCT'G INFMN.

TIME FILED

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

Spokane Oct 29 1934

S O Harper Acting Chief Engr
Reclamation Service
Customhouse
Denver Colorado

Regard letter twenty sixth I consent to such sentence in paragraph fifteen if you insist but believe it unnecessary and redundant under demurrage rules If you do put it in you should make it read quote Are available for use of company at Odair and may be removed etc

Bernard Blum

WESTERN UNION GIFT ORDERS SOLVE THE PERPLEXING QUESTION OF WHAT TO GIVE

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

30 NP CH St Paul Oct 29 1934 Bernard Blum Car 12

Spokane

Following letter dated October 26th from S O Harper acting Chief Engr Reclamation service Denver Col suggests that there be added to second sentenece of article fifteen of draft of contract transmitted to his office with your letter Aug tenth 1934 the following " But such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for the use of the Company and may be removed from such intechange Yard" Stop Mr Harper requests wire reply we do have copy of proposed contract in our file suggest you forward one copy from Spokane for office record D-144

J T Derrig

1002am

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

ST PAUL OCTOBER 29 1934 BERNARD BLUM-Car 12, SPOKANE WN

FOLLOWING LETTER DATED OCTOBER 26th FROM S O HARPER ACTING CHIEF ENGR RECLAMATION SERVICE DENVER COLORADO SUGGESTS THAT THERE BE ADDED TO

SECOND SENTENCE OF ARTICLE FIFTEEN OF DRAFT OF CONTRACT TRANSMITTED TO HIS OFFICE WITH YOUR LETTER AUGUST TENTH 1934 THE FOLLOWING "BUT SUCH

DEMURRAGE CHARGE SHALL NOT BE MADE AFTER THE UNITED STATES HAS NOTIFIED THE COMPANY THAT SUCH CARS AND EQUIPMENT ARE AVAILABLE FOR THE USE OF

THE COMPANY AND MAY BE REMOVED FROM SUCH INTERCHANGE YARD" STOP

MR HARPER REQUESTS WIRE REPLY WE DO NOT HAVE COPY OF PROPOSED CONTRACT IN OUR FILE SUGGEST YOU FORWARD ONE COPY FROM SPOKANE FOR OFFICE

RECORD D-144

J T DERRIG

873-6 (R-80)

At Spokane, Wash.,
October 29, 1934

Mr. S. O. Harper,
Acting Chief Engineer,
Reclamation Service,
Customhouse,
Denver, Colorado

Dear Sir:

My office wired me on receipt of your letter of the twenty-sixth about adding a clause in paragraph fifteen of the proposed contract between the United States and the Northern Pacific covering the Grand Coulee Dam Railroad. Attached is confirmation of my wire to you of this date.

I do not believe the additional sentence is necessary as in paragraph fourteen it is stated that interchange will be made at Odair in the manner customary among railroads. When the cars are returned empty by the United States they are to be delivered on one of the tracks that will be assigned for the purpose at the Odair interchange yard. They then become the obligation of the Northern Pacific, which is the customary way of handling, and as paragraph fifteen covers the demurrage I believe that would also meet the situation you have in mind.

In my telegram I stated that if you insisted on including the sentence, it should read "but such demurrage charge shall not be made after the United States has notified the Company that such cars and equipment are available for use of the Company at Odair and may be removed from such interchange yard". The purpose of inserting the words "at Odair" is obvious.

Yours truly,

BB h

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8731 6 M.

ST PAUL OCTOBER 29 1934 BERNARD BLUM-Car 12, SPOKANE WN

FOLLOWING LETTER DATED OCTOBER 26th FROM S O HARPER ACTING CHIEF ENGR RECLAMATION SERVICE DENVER COLORADO SUGGESTS THAT THERE BE ADDED TO

SECOND SENTENCE OF ARTICLE FIFTEEN OF DRAFT OF CONTRACT TRANSMITTED TO HIS OFFICE WITH YOUR LETTER AUGUST TENTH 1934 THE FOLLOWING "BUT SUCH

DEMURRAGE CHARGE SHALL NOT BE MADE AFTER THE UNITED STATES HAS NOTIFIED THE COMPANY THAT SUCH CARS AND EQUIPMENT ARE AVAILABLE FOR THE USE OF THE COMPANY AND MAY BE REMOVED FROM SUCH INTERCHANGE YARD" STOP

MR HARPER REQUESTS HIM REPLY WE DO NOT HAVE COPY OF PROPOSED CONTRACT IN OUR FILE SUGGEST YOU FORWARD ONE COPY FROM SPOKANE FOR OFFICE

RECORD D-144

J T DERRIG

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

8731 "B"

Spokane 10-29-34

J T Derrig St Paul

Have wired Harper OK if he insists but it is unnecessary stop

Will send you copy of contract B 294

Bernard Blum

Mr Gemmell
Please look up and keep for
Effie use

4069

St. Paul, Minn.,

October 27, 1934g

Mr. H. E. Stevens:

Referring to your letter of October 22 about cost of operating Government railroad between Odair and the Coulee Dam Site.

Regardless of how the operation was conducted insofar as requirements of service between Odair and Adrian are concerned, I think the additional service necessitated by the operation of this Government railroad, would be the equivalent of ten hours of train service with a Class W engine per day, and attached is statement showing what the cost of this would be.

The engine watchman is included in the assumption that one would be required because of the additional power tied up at Coulee City, and the pumper because water would be required somewhere between Odair and the Dam Site, and a water station is, no doubt, being provided.

cc - Mr. Bernard Blum

no statement attached

8731-b 1934

St. Paul, Minn., October 25, 1934.

Mr. H. E. Stevens:

Answering your letter of October 24 in regard to operation of branch line from Odair to the head of the Grand Coulee. It seems to me that it would be very difficult to work out any satisfactory arrangement for the Northern Pacific to operate this line. It is true that the contractor would not be a common carrier but would merely be a private carrier using the line for construction purposes and as subcontractor the Northern Pacific would not be a common carrier between Odair and the head of the Coulee. Nevertheless I would not like to see the Northern Pacific submit to Code and P. W. A. restrictions for fear that a precedent would be established that might be exceedingly troublesome. I do not see how the subcontract could be made unless we did submit to those restrictions. Of course the general contract could be modified to permit the contractor to make this particular subcontract. I realize how difficult it is to get any such modification. It probably would not be made at our request, though I imagine it is within the realms of possibility that a modification would be made if employes' organizations were to interest themselves in the matter. Even if the Reclamation Service were disposed to cooperate in the matter, it would find it difficult to avoid the requirements of Section 206 of the National Industrial Recovery Act which provides that all contracts let for construction projects shall contain provisions that so far as practicable and feasible no one shall be permitted to work more than thirty hours in one week and that in the employment preference shall be given to ex-service men, etc.

Answering the specific question as to the rules and regulations which would govern wages and working conditions, I think they would be the rules and regulations applicable under N. R. A. and P. W. A.

D F LYONS

General Counsel.

L-b
Copy Mr. W. C. Sloan
Mr. Bernard Blum

4867

Saint Paul, Minn.,
October 24, 1934.

MR. D. F. LYONS:

As you probably know, we reached an agreement with the Reclamation Service to the effect that they would build the railroad from connection on our Washington Central Branch (Odair) to the head of the Grand Coulee, for the purpose of handling materials for the construction of the Grand Coulee Dam. The Reclamation Service contract with their general contractor for this construction provides for delivery of government materials at Odair, the contractor to handle all material from that point to the dam-site at his own expense; the cost, of course, being included in his unit bids for the different classes of materials in place.

The general contractor has now suggested that we make a contract with him for operating the railroad Odair to the head of the coulee and we are considering the proposition.

The dam is being constructed as a PWA project and the general contractor's contract carries all of the P. W. A. and N. R. A. Code restrictions covered in Bulletin No. 51.

If the Northern Pacific should make a contract with the general contractor for the operation of the government railroad, the question arises as to what extent codes and P. W. A. restrictions would apply to our operation.

The form of the general contractor's contract provides that no subcontract shall be let to a contractor who has not signed the applicable codes approved under the NIRA.

We have, of course, our own schedules with employes in train and engine service which provide they shall be given that class of work, etc., and under stipulated rates and conditions.

For us to undertake the operation of this government railroad would involve complications to an extent that I doubt if we could estimate in advance the probable cost unless we are safe in proceeding on the basis of our own schedules.

Will you please let me have your opinion as to the rules and regulations which would probably eventually govern wages and working conditions if we undertook this operation?

Copy Mr. W. C. Sloan
Mr. Bernard Blum

8731 "6"

Saint Paul, October 25, 1934

Mr. H. E. Stevens:

Our discussion about suggestion made by the west end officers that the railway company operate the Grand Coulee Railroad for the Mason-Walsh-Atkinson-Kier Company:

I am having study made of carload rates at which we can afford to handle this work for the contractors. I have also examined the specifications, form of contract, etc. with respect to the operation of the railroad.

The contract is the regular U. S. government form, PWA 51, of which I have a copy. There are also instructions under bulletin 51. The forms provide that except in executive and supervisory positions, so far as practicable and feasible in the judgment of the contracting officers, no individual directly employed on the project shall be permitted to work more than 40 hours in any one week and not more than eight hours in any one day. The minimum hourly wage is, for skilled labor $1.20, and for unskilled labor 50¢. Briefly summarized, the specifications and form of contract provide that the work shall be done under the various NRA codes applicable. Furthermore employees are to be selected as follows:

First, ex-servicemen residents of the county in which the work is to be done, after which selection can be made from applicants outside the county but residents of the state.

In my opinion it will be possible to get permission from the contracting officer to work trainmen in excess of 40 hours per week, but undoubtedly maintenance of way employees would come under the 40 hour week schedule and 50¢ minimum wage.

The form of contract provides that no subcontract can be let to a contractor who has not signed the applicable codes approved under the NIRA. It is somewhat questionable if we would be permitted to subcontract the operation of the railroad unless we signed the code and I do not think we should in any way come under the code. That, of course, is a legal question if we would be exempt from that for the reason that we are a common carrier railroad and therefore come under the Emergency Transportation Act.

It is my thought that following the setup being made for rates, etc. it would be necessary to have a general conference with the contracting officer and the Mason-Walsh-Atkinson-Kier Company to settle definitely these various questions.

cc Mr. Sloan

Hotel

Saint Paul, October 23, 1934

Mr. H. E. Stevens:

Our discussion about suggestion made by the west end officers that the railway company operate the Grand Coulee Railroad for the Mason-Walsh-Atkinson-Kier Company:

I am having study made of carload rates at which we can afford to handle this work for the contractors. I have also examined the specifications, form of contract, etc. with respect to the operation of the railroad.

The contract is the regular U. S. government form, PWA 51, of which I have a copy. There are also instructions under bulletin 51. The forms provide that except in executive and supervisory positions, so far as practicable and feasible in the judgment of the contracting officers, no individual directly employed on the project shall be permitted to work more than 40 hours in any one week and not more than eight hours in any one day. The minimum hourly wage is, for skilled labor $1.20, and for unskilled labor 50¢. Briefly summarized, the specifications and form of contract provide that the work shall be done under the various NRA codes applicable. Furthermore employees are to be selected as follows:

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It is my thought that following the setup being made for rates, etc. it would be necessary to have a general conference with the contracting officer and the Mason-Walsh-Atkinson-Kier Company to settle definitely these various questions.

cc Mr. Sloan

4065-

Saint Paul, Minn.,
October 22, 1934.

MR. W. C. SLOAN:

Referring to our discussion with Mr. Donnelly yesterday about possibility of working out a plan whereby the Northern Pacific would undertake the operation of the government railroad between Odair and the yard at the northerly end of the Grand Coulee.

Mr. Blum has in his file copies of the PWA regulations governing the construction of this dam and I have asked him to check them over with you in detail and advise us if the restrictions would be likely to apply to our operation in case we should undertake it.

I wish you would have worked up a detailed setup of the expense of operating along the lines of the studies we made of the out of pocket operating expense for handling the cement.

I think this set up should be made on the assumption that PWA restrictions would not apply to the railway operation, with an alternate set up based on the assumption that the PWA restrictions will apply.

Copy Mr. Bernard Blum

H. E. STEVENS

Memo.

The Government Form of Contract for Public Works Projects Form PWA 51, which it is assumed is the form of contract signed in this case, amongst other things provides-

Article 11-
For a 30 (40) Hour Week and 8 hours daily work

Article 15-
Provision as to adjustment of labor disputes

Article 17-
Minimum wages to be paid prescribed and provisions as to adjustment of disputes about same.

Article 19-
Provides for labor preferences- Must be residents of the County in which work to be done if such labor available and qualified to perform the work to which the employment relates.

Article 20-
Human labor to be used instead of machinery wherever practicable

Article 21-
Compensation insurance to be furnished employees on the work

Article 26-
No sub contract to be let to any contractor who has not signed the applicable codes approved under the National Industrial Recovery Act.

The NP is a common carrier Railroad and the question arises whether as such it has a right to enter into an agreement for the operation of a railroad which is not a common carrier, but this is a matter for the Law Department to pass on.

Memo.

Sec 51 Of the Specifications for the Grand Coulee Dam and Power Project provides-

That a railroad for use in transporting construction material will be constructed by the Government and on completion will be turned over to the contractor who shall immediately accept the railroad and assume its operation and maintenance. He shall furnish all necessary rolling stock and equipment required for its operation and maintenance.

The contractor shall haul and handle all material delivered to him by the Government as provided in Paragraph 30 of the specifications- i.e materials to be furnished the contractor by the Government- the entire cost thereof shall be included in the prices bid in the schedule for the items of work in the performance of which the railroad is used, and provided further that all materials delivered in car load lots to the contractor by the Government may at the option of the contractor be hauled without charge over the railroad

And in addition all materials of every kind and nature required to be transported for the Government or for other contractors or agents of the Government engaged on work on any part of the Columbia Basin project.- Payment for such additional transportation service will be made at the unit prices bid under items 77 to 82 of the schedule. Shall include loading and unloading etc.

The joint section of the railroad, being the delivery yard at Odair and a portion of the main line of the Northern Pacific Ry at the delivery yard will be used in common by the Government the N.P. Ry and the contractor and the contractor shall agree in writing with the Government and the NP Ry. to observe so far as applicable to the contractor to observe the terms and conditions of the agreement between the Government and the Railway Company copy of which may be examined at the office of the Bureau of Reclamation at Washington, D.C., Denver Col or Almira Wash.

The contractor is required to inaugurate regular train service at least twice each week within 90 days after railroad is turned over to him.

If contractor fails to provide proper transportation, the Government reserves the right to assume complete control of the railroad and to take over any and all of the contractor's equipment and to operate the railroad at the expense of the contractor

The draft contract between the Government and the NP Ry provides in Sec 13

"The operation and maintenance of the railroad willbe under the direct supervision and control of the United States. If contracted, the contractor will be required to provide reasonable service thereon for handling the business of the United States and others during the contract period."

)ctober 22 1934 REG

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF THE CHIEF ENGINEER

October 18, 1934.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

I have your letter of October 15, 1934, inquiring of the status of the proposed contract between the United States and the Railway Company in regard to the construction railroad from Odair, Washington, to the Grand Coulee Dam site.

The draft of contract including the addition of Article 22, as covered by the chief engineer's letter to you of September 6, 1934, and your wire of September 16, 1934, and the interpretation to be placed on Article 19, as covered by the chief engineer's wire to you of September 21, 1934, and your wire of September 23, 1934, which latter wires resulted in recommendation by the chief engineer to the commissioner that there be inserted after the word "and" in line 3 of Article 19, the words "where such employees are engaged in operations for both the Company and the United States", is under consideration in Washington and we have not as yet been advised of the conclusion reached.

As soon as the draft of contract has been approved, it will be transmitted to you, in duplicate, for consideration and execution on behalf of the Railway Company.

We appreciate the furnishing the track metal by the Railway Company in accordance with the understanding heretofore reached and as embodied in the draft of contract.

As you say, the contractor for construction of the railroad is proceeding with the work, and while there has been some delay in securing ties as promptly as desired, it is believed that this can be satisfactorily adjusted and that it will not be necessary to ask the Railway Company for loan of ties as you have so kindly offered to do.

Very truly yours,

S. O. Harper,
Acting Chief Engineer.

8731

October 15, 1934

Mr. R. F. Walter, C. E.,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Sir:

Will you kindly advise status of execution of contract between your Department and the Northern Pacific in regard to the Coulee Dam Railroad. We have been furnishing track metal in accordance with our understanding in the matter and I understand the Ryan Company has laid a mile or two of track.

I was recently advised that tracklaying had been held up awaiting delivery of ties by the government. I wired Mr. Banks that we would loan him ties from our Seattle stock if he would request same, but I have had no reply. If there is any way in which we can be of assistance to the government in the matter, we will be glad to help.

Yours truly,

BB h

875

1206 A

CLASS OF SERVICE DESIRED

| DOMESTIC | | CABLE | |
|---|---|---|---|
| TELEGRAM | | FULL RATE | |
| LETTER | | DEFERRED | |
| NIGHT MESSAGE | | NIGHT LETTER | |
| NIGHT LETTER | X | WEEK END LETTER | |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCT'G INFMN.

TIME FILED

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

Mandan, N.D. Sept. 23, 1934

R F Walter
Bureau of Reclamation
Customhouse
Denver Colorado

Letter regard article nineteen My understanding employees covered are joint agent eighty cents per hour telegraph operators seventh and sixty eight cents

car checker sixty twoand three quarters cents car inspector seventy eight cents assistant seventy three cents Above is a full list but believe joint agent and

car inspector will cover requirements generally Regard facilities Had in mind providing at our joint expense office for agent and minor facilities for car

inspector Believe these joint employees can house themselves in Coulee stop Railway at its expense delivers cars on interchange track and hauls cars away

from same Your contractor bear additional switching at Odair

Bernard Blum

WESTERN UNION GIFT ORDERS SOLVE THE PERPLEXING QUESTION OF WHAT TO GIVE

T E L E G R A M

8731

St. Paul Sept 22, 1934

Bernard Blum
Car 12 - Livingston

Following from C E Walter quote "Refer article nineteen Company draft contract construction railroad Grand Coulee dam now pending in Washington stop Advise by wire your understanding what employees and facilities contemplated in maintaining and operating interchange facilities and your estimate of cost thereof to be divided between company and United States stop We assume cost of switching cars by company and cost of station buildings or residences for company employes not to be charged to government but your confirmation desired." Signed Walter Reclamation Chief Engineer.

Rates for various employees as follows: Joint agent eighty cents, telegraph operator agent seventy cents, telegraph operator sixty eight cents, dispatcher branch line one point nineteen eighty one, can checker sixty two and three quarters cents, car foreman seventy eight cents, car whacker seventy three cents. All are basic hourly rates eight hour day.

I think it will be necessary to have joint agent and car checker during entire period. Requirement for car foreman and repairman and telegraph operators will be governed by volume of business. Suggest Walter be advised the hourly rates now in use and indicate that these rates are subject to schedule change not tieing ourselves down to the specific number of joint employees required. D-124

J T Derrig

T E L E G R A M

St. Paul Sept 22, 1934

Bernard Blum
Car 12 - Livingston

Following from C E Walter quote "Refer article nineteen Company draft contract construction railroad Grand Coulee dam now pending in Washington stop Advise by wire your understanding what employees and facilities contemplated in maintaining and operating interchange facilities and your estimate of cost thereof to be divided between company and United States stop We assume cost of switching cars by company and cost of station buildings or residences for company employes not to be charged to government but your confirmation desired." Signed Walter Reclamation Chief Engineer.

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J T Derrig

WESTERN UNION

DENVER OFFICE

NIRA - General

NIGHT LETTER

DENVER COLORADO SEPTEMBER 21, 1934

MR. BERNARD BLUM CHIEF ENGINEER
NORTHERN PACIFIC RAILWAY COMPANY
STPAUL MINNESOTA

REFER ARTICLE NINETEEN COMPANY DRAFT CONTRACT CONSTRUCTION RAILROAD GRAND COULEE DAM NOW PENDING IN WASHINGTON STOP ADVISE BY WIRE YOUR UNDERSTANDING WHAT EMPLOYEES AND FACILITIES CONTEMPLATED IN MAINTAINING AND OPERATING INTERCHANGE FACILITIES AND YOUR ESTIMATE OF COST THEREOF TO BE DIVIDED BETWEEN COMPANY AND UNITED STATES STOP WE ASSUME COST OF SWITCHING CARS BY COMPANY AND COST OF STATION BUILDINGS OR RESIDENCES FOR COMPANY EMPLOYEES NOT TO BE CHARGED TO GOVERNMENT BUT YOUR CONFIRMATION DESIRED

WALTER RECLAMATION

R. F. Walter,
Chief Engineer.

Confirmation - same.

Form 1220-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its character is indicated by a symbol in the check or in the address.

# WESTERN UNION

(59)

| SYMBOLS | |
|---|---|
| BLUE | Day Letter |
| NITE | Night Message |
| NL | Night Letter |
| LCO | Deferred |
| CLT | Cable Letter |
| WLT | Week End Letter |

NEWCOMB CARLTON, PRESIDENT — J. C. WILLEVER, FIRST VICE-PRESIDENT

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

**Received at**

1934 SEP 21 PM 9 02

OFFICE OF CHIEF ENGINEER SEP 22 1934 NOR. PAC. RY. ST. PAUL, MINN.

CB696 76 GOVT NL 2 EXTRA=DENVER COLO 21

BERNARD BLUM,CHIEF ENGINEER=

NORTHERN PACIFIC RAILWAY CO STPAUL MINN=

REFER ARTICLE NINETEEN COMPANY DRAFT CONTRACT CONSTRUCTION RAILROAD GRAND COULEE DAM NOW PENDING IN WASHINGTON STOP ADVISE BY WIRE YOUR UNDERSTANDING WHAT EMPLOYEES AND FACILITIES CONTEMPLATED IN MAINTAINING AND OPERATING INTERCHANGE FACILITIES AND YOUR ESTIMATE OF COST THEREOF TO BE DIVIDED BETWEEN COMPANY AND UNITEDSTATES STOP WE ASSUME COST OF SWITCHING CARS BY COMPANY AND COST OF STATION BUILDINGS OR RESIDENCES FOR COMPANY EMPLOYEES NOT TO BE CHARGED TO GOVERNMENT BUT YOUR CONFIRMATION DESIRED=

WALTER RECLAMATION CHIEF ENGINEERS.

allow 1½ in. Inches of breakage —

N. P. File No. 8731-C

DEFENDANT'S EXHIBIT 4064

Estimates for proposed Rates - Odair:

| | |
|---|---|
| Joint agent Mat Revenue Joint 100.000 | .80 Per Hr |
| Telegraph agt opr. Red Sta | .70 " |
| Telegraph opr | 68 " |
| Dispatcher Kr Line (*9.584 7.00) | 1.1981 " |
| Car checker (5.02 00) | .6275 Per |
| Car Foreman | .78 " |
| Car Worker | .73 " |

Above Rates (Estimated for Odair) furnished by S.W. Wiley 9/22-34

9/22-34

8731 H265

At Seattle, Wash.,
Sept. 16, 1914

Mr. R. F. Walter,
Chief Engineer,
Bureau of Reclamation,
Customhouse,
Denver, Colorado

Dear Sir:

Your letter of the twelfth was received in my office on the fifteenth and the essence of your letter has been forwarded to me by telegraph. I wired you today as per attached confirmation.

I accept your explanation that you are not empowered to commit the actions of the Department for some time in the future. It does seem to me that the construction of the railroad and its subsequent removal is strictly a part of the present project and, as such, a fund should be available to cover even though it is not permissible to cover this future obligation by a contract. I believe you should keep this in mind in making future appropriations and consider the taking up of the railroad as a necessary part of the completion of the project.

Yours truly,

BB h

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

27 [redacted]

St Paul Sept 22 1934

Bernard Blum
Car 12 Livingston

Following from C E Walter quote"refer article nineteen company draft contract construction railroad grand coulee dam now pending in Washn stop advise by wire your understanding what employees and facilities contemplated in maintaining and operating interchange facilities and your estimate of cost thereof to be divided between company and united states stop we assume cost of switching cars by company and cost of station buildings or residences for company employes not to be charged to government but your confirmation desired " signed Walter, reclamation chief engineer rates for various employees as follows : joint agent eighty cents, telegraph operator agent seventy cents, telegraph operator sixty eight cents, dispatcher branch line one point nineteen eighty one, car checker sixty two and three quarter cents, car foreman seventy eight cents, car whacker seventy three cents all are basic hourly rates eight hour day. I think it will be necessary to have joint agent and car checker during entire period Requirement for ~~x~~ car foreman and repairman and telegraph operators will be governed by volume of business suggest Walter be advised the hourly rates now in use and indicate that these rates are subject to schedule change not tieing ourselves down

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

to the specific number of joint employees required D 124

J T Derrig

1245pm

1206 A

CLASS OF SERVICE DESIRED

| DOMESTIC | | CABLE | |
|---|---|---|---|
| TELEGRAM | | FULL RATE | |
| LETTER | | DEFERRED | |
| NIGHT MESSAGE | X | NIGHT LETTER | |
| NIGHT LETTER | | WEEK END LETTER | |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT — J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCT'G INFMN.

TIME FILED

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

Seattle Wash Sept 16 1934

R F Walter
Bureau of Reclamation
Customhouse
Denver Colorado

Your letter twelfth I accept your article twenty two without further stipulation in our agreement so you may forward same for execution

Bernard Blum

WESTERN UNION GIFT ORDERS SOLVE THE PERPLEXING QUESTION OF WHAT TO GIVE

N. P. File No. 8731-C

DEFENDANT'S EXHIBIT 4062

Date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f. o. b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

22. The performance by the United States of any obligation under taken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

BY_____
Federal Emergency Administrator
of Public Works and Secretary
of Interior.

NORTHERN PACIFIC RAILWAY COMPANY,

BY_____

Title_____

( SEAL) Attest:

_____
Secretary

T E L E G R A M

4061

22 NP W

St Paul Sept 16-34

Bernard Blum Car 12
Seattle

B-151. Quoting part Mr Walters letter quote While such an article was not in U P contract of which you have copy there

is I believe a distinction between that contract and your contract in that article twenty of the latter does cast an

obligation on the U S involving expenditure of funds which are not at this time technically available as it would not

be possible to allocate from funds now available the sum of fifteen thousand dollars as the estimated cost of picking up

rail and fastenings and hold that sum until completion of the work as you suggest because funds committed by contract are

under the law available only for two fiscal years after the fiscal year in which commitment is made.

After all the matter is largely academic as Congress has the last say whether such a provision is included or not

and I am sorry that what might appear to you to be an irrelevant matter has been raised but I feel dubious that

the Commissioner will or can recede from his position in view of probable conflict with title 31 section 665 U S

Code if such article is not included end quote Paragraphs twelve specification five seventy is practically same as

proposed article twenty two. Paragraph fifty one covers construction of railroad. States that it is contemplated

rail road will be completed by Dec 1, 1934 and on completion will be turned over to contractor for dam for operation.

Paragraph quite long and includes operation details M-283

H A Cribbs

1154AM

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8731 M.

St. Paul, Minn., Sept. 16, 1934.

Bernard Blum,
Car 12, Seattle, Wn.

B-151. Quoting part Mr. Walter's letter: Quote-While such an article was not in U.P. contract of which you have copy there is I believe a distinction between that contract and your contract in that article twenty of the latter does cast an obligation on the US involving expenditure of funds which are not at this time ~~available~~ technically available as it would not be possible to allocate from funds now available the sum of fifteen thousand dollars as the estimated cost of picking up rail and fastenings and hold that sum until completion of the work as you suggest because funds committed by contract are under the law available only for two fiscal years after the fiscal year in which commitment is made. After all the matter is largely academic as Congress has the last say whether such a provision

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.



(St. Paul, Sept.16,1934 Bernard Blum, Car 12, Seattle)

is included or not and I am sorry that what might appear to you to be an irrevalent matter has been raised but I feel dubious that the

Commissioner will or can recede from his position in view of probable conflict with Title 31 Section665 US code if such article is not

included. End Quote. Paragraph twelve specification five seventy is practically same as proposed article twenty-two. Paragrapgh

fifty-one covers construction of railroad. Statesthat it is contemplated railroad will be completed by Dec.1, 1934 and on completion

will be turned over to contractor for dam for operation. Paragraph quite long and includes operation details. M-283

H. A. Cribbs

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

St.Pal, Minn., Sept. 16, 1934.

R. T. Taylor,
Spokane, Wash.

B-566 We should use plates on leg of wye. If you have not previously furnished these plates for Government on loan I will arrange to have plates moved from Pasco in accordance my wire fourteenth from Livingston. Advise. D-108

J. T. Derrig

Copy H. M. Smith

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

NB G

St Paul 9-15

J. T. Derrig, Trn 2,
Mandan.

Mr. Blum has wire from Supt. Taylor this morning stating that Mr. Ryan does not know want the triplates File ED-318.

M. M. S...1030AM

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

181 CF N

SEATTLE SEPT 15 34

H A CRIBBS

OPR STPAUL PLEASE PHONE HIM AT HOME

STPAUL

M 282 MESSAGE NOT CLEAR AS DO NOT HAVE WITH ME GOVERNMENT SPECIFICATION FIVE SEVENTY STOP MY WIRE TENTH APPROVED ARTICLE TWENTY TWO BUT ASKED HIM TO ALLOCATE FROM FUNDS NOW AVAILABLE AND HOLD UNTIL COMPLETION OF WORK ESTIMATED COST PICKING UP RAIL ON COMPLETION OF JOB STOP WHICH IS COVERED BY PARAGRAPH TWELVE SPECIFICATION FIVE SEVENTY ALSO PARAGRAPH FIFTY ONE B-151

B BLUM

8PM

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8731 M.

St Paul, Sept. 15, 1934

Bernard Blum
Car 12 - Seattle

Letter R.F. Walter Denver twelfth reply your wire tenth in pouch eight today. Asks that you waive objections article twenty two.

Suggests comparison with paragraph twelve of General Conditions Specifications five seventy. Asks reply by wire so he can get

contract approved by Department. Says much longer delay may tend to embarrass them with certain companies in securing contract con-

templated by paragraph fifty one specification five seventy and article eighteen with railway company. M-282

H A Cribbs

C O P Y

UNITED STATES - DEPARTMENT OF THE INTERIOR.

BUREAU OF RECLAMATION

Denver, Colorado, Sept. 12, 1934

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Co.,
St. Paul, Minnesota.

Dear Mr. Blum:

I have your wire of September 10, 1934, from Spokane, in reply to my letter of September 6, 1934, wherein you say that you will accept Article 22 but you think we should be willing to allocate from funds now available and hold until completion of work the estimated cost of picking up rail and fastenings, which you estimate is $15,000, and you request that an additional clause to this effect be included.

The article suggested by the commissioner is that we term a formal one and in included in all specifications or contracts involving the expenditure of funds beyond the current fiscal year. While such an article was not in the Union Pacific contract, of which you have a copy, there is, I believe, a distinction between that contract and your contract in that Article 20 of the latter does cast an obligation on the United States involving expenditure of funds which are not at this time technically available, as it would not be possible to allocate from funds now available the sum of $15,000 as the estimated cost of picking up rail and fastenings and hold that sum until completion of the work, as you suggest, because funds committed by contract are, under the law, available only for two fiscal years after the fiscal year in which commitment is made.

If you will look at paragraph 12 of the General Conditions of Specifications No. 570, for construction of the Grand Coulee dam and power plant, you will observe that a provision similar to that of Article 22 as proposed by the commissioner is included. After all the mater is largely academic, as Congress has the last say, whether such a provision is included or not, and I am sorry that what might appear to you to be an irrelevant matter has been raised, but I feel dubious that the commissioner will or can recede from his position in view of probable conflict with Title 31, Sec. 665, U.S.Code, if such an article is not included.

I hope therefore, that on further consideration you can see fit to waive your objections and so advise me by wire, as I am extremely anxious to see the form of contract approved by the department and entered into at the earliest date possible. To delay much longer may tend to embarrass us with the Mason, Walsh, and Kier companies in securing the contract contemplated by paragraph 51 of Specifications No. 570 and Article 18 of the contract with the railway company.

Very truly yours,
R.F. Walter - Chief Engineer

C O P Y

UNITED STATES - DEPARTMENT OF THE INTERIOR.

BUREAU OF RECLAMATION

Denver, Colorado, Sept. 12, 1934

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Co.,
St. Paul, Minnesota.

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If you will look at paragraph 12 of the General Conditions of Specifications No. 570, for construction of the Grand Coulee dam and power plant, you will observe that a provision similar to that of Article 22 as proposed by the commissioner is included. After all the mater is largely academic, as Congress has the last say, whether such a provision is included or not, and I am sorry that what might appear to you to be an irrelevant matter has been raised, but I feel dubious that the commissioner will or can recede from his position in view of probable conflict with Title 31, Sec. 665, U.S.Code, if such an article is not included.

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Very truly yours,
R.F. Walter - Chief Engineer

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

148 NP W

St Paul Sept 15-34

Bernard Blum Car 12,
Seattle

Letter R F Walter Denver twelfth reply you wire tenth in pouch eight today. Asks that you waive objections article twenty two.

Suggests comparison with paragraph twelve of general conditions spcifications five seventy. Asks reply by wire so he can get contract

approved by department. Say much longer delay may tend to embarass them with certain companies in securing contract contemplated by

Paragraph fifty one specification five seventy and article eighteen with railway company. M-282

H A Cribbs

139P M

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

Seattle Sept 15 1954

Operator St Paul pls phone to home of

H A Cribbs St Paul

M 282 Your message not clear as do not have with me government specification five seventy stop My wire tenth approved article twenty two but asked him to allocate from funds now available and hold until completion of work estimated cost picking up rail on completion of job stop What is covered by paragraph twelve specification five seventy also paragraph fifty one B 151

Bernard Blum

C O P Y

8731

UNITED STATES - DEPARTMENT OF THE INTERIOR.

BUREAU OF RECLAMATION

Denver, Colorado, Sept. 12, 1934.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Co.,
St. Paul, Minnesota.

Dear Mr. Blum:

I have your wire of September 10, 1934, from Spokane, in reply to my letter of September 6, 1934, wherein you say that you will accept Article 22 but you think we should be willing to allocate from funds now available and hold until completion of work the estimated cost of picking up rail and fastenings, which you estimate is $15,000, and you request that an additional clause to this effect be included.

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I hope therefore, that on further consideration you can see fit to waive your objections and so advise me by wire, as I am extremely anxious to see the form of contract approved by the department and entered into at the earliest date possible. To delay much longer may tend to embarrass us with the Mason, Walsh, and Kier companies in securing the contract contemplated by paragraph 51 of Specifications No. 570 and Article 18 of the contract with the railway company.

Very truly yours,
R.F. Walter - Chief Engineer

8

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

8731

OFFICE OF THE CHIEF ENGINEER

September 12, 1934.

Mr. Bernard Blum,
Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

I have your wire of September 10, 1934, from Spokane, in reply to my letter of September 6, 1934, wherein you say that you will accept Article 22 but you think we should be willing to allocate from funds now available and hold until completion of work the estimated cost of picking up rail and fastenings, which you estiate at $15,000, and you request that an additional clause to this effect be included.

The article suggested by the commissioner is what we term a formal one and is included in all specifications or contracts involving the expenditure of funds beyond the current fiscal year. While such an article was not in the Union Pacific contract, of which you have a copy, there is, I believe, a distinction between that contract and your contract in that Article 20 of the latter does cast an obligation on the United States involving expenditure of funds which are not at this time technically available, as it would not be possible to allocate from funds now available the sum of $15,000 as the estimated cost of picking up rail and fastenings and hold that sum until completion of the work, as you suggest, because funds committed by contract are, under the law, available only for two fiscal years after the fiscal year in which commitment is made.

If you will look at paragraph 12 of the General Conditions of Specifications No. 570, for construction of the Grand Coulee dam and power plant, you will observe that a provision similar to that of Article 22 as proposed by the commissioner is included. After all, the matter is largely academic, as Congress has the last say, whether such a provision is included or not, and I am sorry that what might appear to you to be an irrelevant matter has been raised, but I feel dubious that the commissioner will or can recede from his position in view of probable conflict with Title 31, Sec. 665, U. S. Code, if such an art-

B.

icle is not included.

I hope, therefore, that on further consideration you can see fit to waive your objections and so advise me by wire, as I am extremely anxious to see the form of contract approved by the department and entered into at the earliest date possible. To delay much longer may tend to embarrass us with the Mason, Walsh, and Kier companies in securing the contract contemplated by paragraph 51 of Specifications No. 570 and Article 18 of the contract with the railway company.

Very truly yours,

R. F. Walter

R. F. Walter,
Chief Engineer.

Copy made & filed here. See Telegram M 282 - 9/15
HAC
9/15

| CLASS OF SERVICE DESIRED | | | |
|---|---|---|---|
| DOMESTIC | | CABLE | |
| TELEGRAM | | FULL RATE | |
| DAY LETTER | | DEFERRED | |
| NIGHT MESSAGE | | NIGHT LETTER | |
| NIGHT LETTER | X | WEEK END LETTER | |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT — J. C. WILLEVER, FIRST VICE-PRESIDENT

| CHECK |
|---|
| ACCT'G INFMN. |
| TIME FILED |

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

Spokane Wash Sept 10 1934

R F Walter
Bureau of Reclamation
Customhouse
Denver Colorado

Your letter sixth Will accept your article twenty two but think you should be willing to allocate from funds now available and hold until completion of work estimated cost of picking up rail and fastenings which I estimate at Fifteen Thousand Dollars stop Request you include additional clause to this effect

Bernard Blum

WESTERN UNION GIFT ORDERS SOLVE THE PERPLEXING QUESTION OF WHAT TO GIVE

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

SF SM Seattle Sept 9- 1934

Bernard Blum care
Conar No.3
Sandpoint

B-83 OK to accept Modification Contract but suggest you ask Walters if there would be any objections to including an additional Clause the effect that the united States will allocate from Funds now available and hold until completion of the contract an amount equivalent to the estimated cost of picking up the rail and fastenings. S-91.

H.E.Stevens 3PM.

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

4060

Helena 9-8-34

H E Stevens Car 9 Lines W est

R F Walter has written me that draft Grand Coulee dam line contract submitted to Commissioner Mead at Washington who advises will submit contract to department of interior for approval if railway will consent to an additional article reading as follows quote The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and or allocated public works funds for the purpose and in all cases where such funds are not available the United States is hereby released of all claims on account of such non performance due to such non availability end quote As I view this the only way it affects our draft of contract is the article which covers obligation of the United States to take up and return rail and fastenings which we are furnishing to them stop Walter states such article is necessary to avoid conflict with United States code

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Mr Stevens #2

I presume addition of above article would not put us in any worse position as a practical matter and suggest we agree to same stop Do you approve stop Am moving train three Sunday to Spokane B 83

Bernard Blum

N. P. 1386 A 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

26 VSK

St Paul Sept 8-1934

Bernard Blum Car 12

Helena

Letter R F Walter Chief engr Bureau of Reclamation Custom house Denver sixth says draft grand Coulee Dam line contract submitted Commissioner Bureau at Washington after receipt your wire August 18th and he advises will submit draft contract to Department for approval if railway will consent addition article to be numbered twenty two and reading quote Art 22 the performance by the United States Of Any obligation undertaken hereunder involving the expendture of money is dependent upon the Availability of appropriated funds and or allocated public works funds for the purpose and in all cases where such funds are not available the United States is hereby released of all claims on account of such non performance due to such non availability end quote.

States commissioners view that as contract involves work and payments by U S in somewhat indefinite ~~xxxxxx~~ figure future referring epecially art 20 would be well railway consent to adding art 22 and also that such article necessary to avoid conflict with title thirty one section six sixty five U S code. Walter asks that if art 22 satisfactory to railway you advise him by wire stop letter in pouch to today M-258

H A Cribbs 505

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED 8731 M.

St.Paul,Minn.,Sept.8, 1934

Bernard Blum,
Cor 12, Helena,Mont.

Letter R F Walter,Chief Engr.,Bureau of Reclamation,CustomHouse,Denver, sixth says draft Grand Coulee Dam line contract submitted Commissioner Bureau at Washington after receipt your wire Aug.18 and he advises will submit draft contract to Department for approval if Railway will consent addition article to be numbered twenty-two and reading quote Art.22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such nonperformance due to such non-availability end quote States commissioners view that as contract involves work and payments by U.S. in somewhat indefinite future referring especially Art.20 would be well Railway consent to adding Art.22 and also that such article necessary to avoid conflict with Title thirty-one Section six sixty-five U S code.Walter asks that if Art.22 satisfactory to Railway you advise him by wire Stop. Letter in pouch two today M 258

H. A. Cribbs

N.P. File No. 8731-C

This page Void

DEFENDANT'S EXHIBIT 4059

Section Revision 8/18/34

to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Send Point, Idaho | 18¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington | 12½¢ |

The rates hereinabove shall not be increased during the term of this contract unless in the opinion of the United States such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

C O P Y

UNITED STATES DEPARTMENT OF THE INTERIOR.

BUREAU OF RECLAMATION

CUSTOMHOUSE

Denver, Colorado.
September 6, 1934.

Office of Chief Engineer.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

The draft of proposed contract between the United States and the Northern Pacific Railway Company for construction of a branch line to Grand Coulee dam, Columbia Basin project, was submitted to the commissioner of the Bureau of Reclamation at Washington after receipt of your wire of August 18, 1934, in reply to my letter of August 16, 1934, and the commissioner now advises me that he is prepared to submit the draft of contract to the Department for approval if the railway company will consent to the addition to the contract of an article to be numbered 22, and reading as follows:

> "Art. 22. The performance by the United States of any obligation undertaken hereunder involving the expenditure of money is dependent upon the availability of appropriated funds and/or allocated public works funds for the purpose, and in all cases where such funds are not available the United States is hereby released of all claims on account of such non-performance due to such non-availability."

It is the commissioner's view that as the proposed contract involves the doing of work or the paying of bills by the United States at a time in the somewhat indefinite future (referring especially to Article 20), it would be well, if the railway company will consent, to add such an article. The commissioner adds that some such addition to the draft of contract seems necessary to avoid conflict with Title 31, Sec.665, U.S. Code.

If the addition of such an article is satisfactory to the railway company, I will appreciate your advice by wire in order that early approval of the draft of contract by the Department may be had.

Very truly yours
R. F. Walter,
Chief Engineer.

2

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF THE CHIEF ENGINEER

September 6, 1934.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

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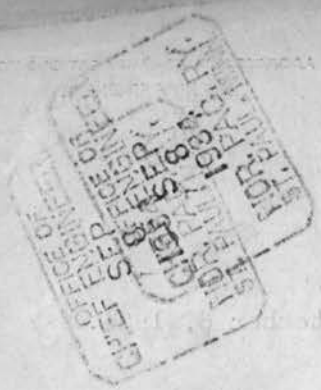
If the addition of such an article is satisfactory to the railway company, I will appreciate your advice by wire in order that early approval of the draft of contract by the Department may be had.

Very truly yours,

R. F. Walter
R. F. Walter,
Chief Engineer.

Copy retained here
Hae



Revised 8/18/34

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(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
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| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington | 12½¢ |

The rates hereinabove shall not be increased or decreased during the term of this contract unless in the opinion of the United States and the Company such rates become inequitable because of changed conditions. If the necessity arises for revising said rates or for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

Revised 8/18/34

to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

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P. P. Copy Revised 7/18/34

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Received 8/17/34

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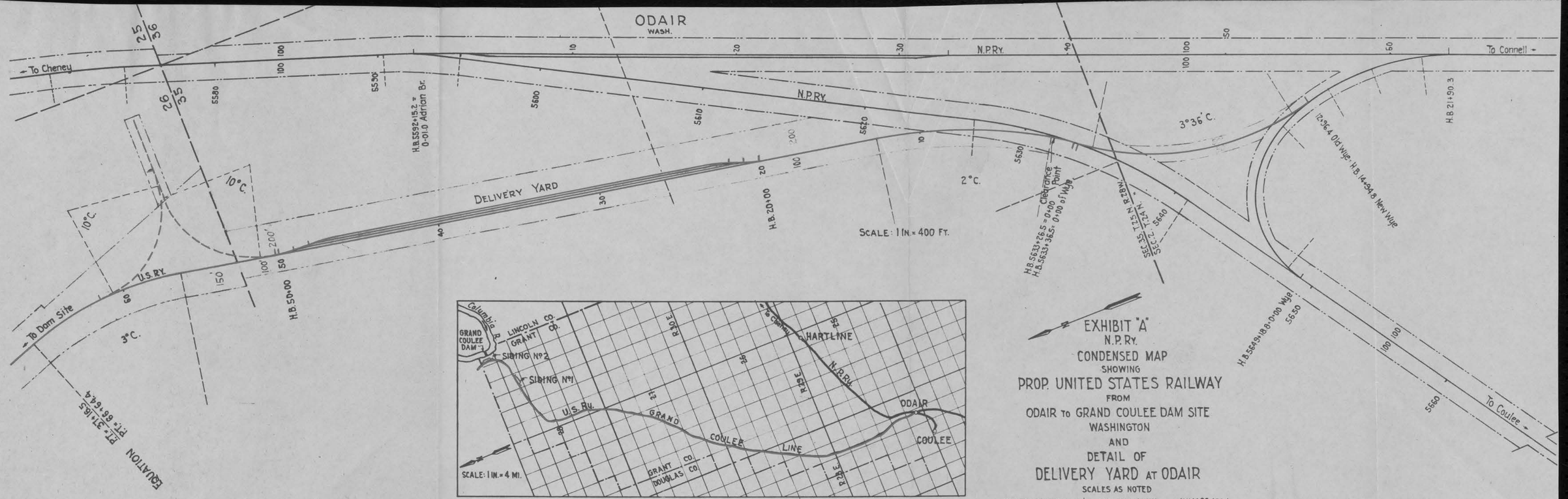


# EXHIBIT "A"

N.P. Ry.

CONDENSED MAP

SHOWING

## PROP. UNITED STATES RAILWAY

FROM

ODAIR to GRAND COULEE DAM SITE

WASHINGTON

AND

## DETAIL OF DELIVERY YARD AT ODAIR

SCALES AS NOTED

OFFICE OF CHIEF ENGR. ST. PAUL, MINN. JULY 28, 1934.

Tracks to be constructed by United States shown ——

(70)
8731-16

August 18, 1934

Mr. R. F. Walter, Chief Engineer,
Bureau of Reclamation,
Custom House,
Denver, Colorado

Dear Mr. Walter:

My telegram this date to you, confirmation of which is attached, about revision of the last sentence of Article 12 in proposed agreement between the United States and the Northern Pacific for the Grand Coulee dam railway:

I see no objections to this and think it is fair to both parties and it is accordingly approved on the part of the Railway Company.

Yours very truly,

MS h

1206 A

| CLASS OF SERVICE DESIRED | | | |
|---|---|---|---|
| DOMESTIC | | CABLE | |
| TELEGRAM | | FULL RATE | |
| DAY LETTER | | DEFERRED | |
| NIGHT MESSAGE | | NIGHT LETTER | |
| NIGHT LETTER | | WEEK END LETTER | |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT J. C. WILLEVER, FIRST VICE-PRESIDENT

| CHECK |
|---|
| ACCT'G INFMN. |
| TIME FILED |

*Send the following message, subject to the terms on back hereof, which are hereby agreed to*

St Paul August 18 1934

R F Walter Chief Engineer
Bureau of Reclamation
Custom House
Denver Colorado

Your letter sixteenth revision article twelve This is approved

Bernard Blum

CHARGE NOR. PAC. RY. CO.
ENGINEERING DEPT.

WESTERN UNION GIFT ORDERS ARE APPROPRIATE GIFTS FOR ALL OCCASIONS

ADDRESS ALL COMMUNICATIONS TO
THE CHIEF ENGINEER

(67)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CUSTOMHOUSE
DENVER, COLORADO

OFFICE OF CHIEF ENGINEER
AUG 18 1934
NOR. PAC. RY.
ST. PAUL, MINN.

OFFICE OF THE CHIEF ENGINEER

August 16, 1934.

Mr. Bernard Blum, Chief Engineer,
Northern Pacific Railway Company,
St. Paul, Minnesota.

Dear Mr. Blum:

This will acknowledge receipt of your letter of August 10, in regard to the draft of proposed contract between the United States and your company, which was rewritten under date of July 24.

The changes suggested by your law department which have been incorporated in the redraft forwarded with your letter are satisfactory to this office. The entire draft as submitted by you now appears to be satisfactory, with the exception of the last sentence of article 12, regarding which further question has been raised in this office. This sentence as now written is subject to the interpretation that, while the established rates may be increased under certain conditions, no provision is made for any reduction in these rates. It is not believed that such a restriction was contemplated when this article was discussed with you in this office, but it was agreed that the provisions of this article should be at least as favorable to the company as the similar provisions in our contract with the Union Pacific Railroad Company at Boulder dam.

I therefore wish to submit for your favorable consideration the following slight revision of the last sentence of article 12, consisting of dividing it into two sentences and the addition of the words underscored:

> "The rates hereinabove shall not be increased <u>or decreased</u> during the term of this contract unless in the opinion of the United States <u>and the Company</u> such rates become inequitable because of changed conditions. If the necessity arises for <u>revising said rates or for</u> the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States."

It is believed that the provisions of the revised article are fair both to the company and to the government. They are more favorable to the company than the similar provisions in the Union Pacific contract,

inasmuch as it was definitely provided in the latter contract that there should be no increase in the established rates during the life of the contract, but that reductions could be secured by negotiation. In the present case the revised article provides that either increases or reductions may be made with the consent of both parties.

If the article as revised is satisfactory to your company I will appreciate your advice by wire, in order that the draft may be submitted to Washington for approval without further delay.

Very truly yours,

R. F. Walter

R. F. Walter,
Chief Engineer.

August 11, 1934

Mr. R. F. Walter,
Chief Engineer,
Reclamation Service,
Custom House,
Denver, Colorado

Dear Mr. Walter:

As promised in my letter of yesterday, I am sending you herewith two more copies of proposed contract between the United States and the Northern Pacific covering construction of the Grand Coulee Dam Railroad.

Yours truly,

8731 26

August 10, 1934

Mr. R. F. Walter,
Chief Engineer,
Reclamation Service,
Custom House,
Denver, Colorado

Dear Mr. Walter:

On my return to St. Paul the draft of proposed contract between the United States and the Northern Pacific, which was rewritten by Mr. Offutt under date of July 24, was referred to our Law Department and our Assistant General Counsel had several minor revisions to make which I have taken care of in a redraft of the entire form, three copies of which are attached. The changes made are as follows:

Article 8. In the fifth line of the July 24 draft the words "hereto attached" have been inserted between the words "location map" and "marked Exhibit A". I do not believe that the addition of the two words will be objectionable to you.

Article 11. Rewritten to eliminate in the fourth line the following words "including yard tracks at Odair for the purpose of interchanging and storing cars, sidings and turnouts". The above clause is omitted as it seemed an unnecessary repetition and furthermore it did not list all of the tracks to be constructed for which the railway company is to furnish metal; therefore, it seemed best to avoid any misunderstanding by quoting only a portion of the tracks.

Article 15. In the eighth line the sentence has been revised to further amplify the freight tariff covering demurrage, giving in more detail the name of the tariff. Also the phrase "all settlements for such demurrage shall be made under the terms and provisions" has been revised to read "shall be made in accordance with the terms and provisions" as that seems to be more appropriate wording.

Article 18. This article has been revised to provide for the United States incorporating in its contract with the Silas Mason Company a provision for the contractor to indemnify the railway company. As previously written up it provided that the

contractor would indemnify the railway company, but as the contractor is not a party to the agreement under discussion it seemed best to have the United States provide that such indemnity be given to the railway company.

I do not think there should be any objection on the part of the Reclamation Service to these changes which I believe improve the form and clarify the articles in question.

It is my understanding from our conference that you will submit this agreement to Washington for execution, and you may advise them that as drawn it is acceptable to the railway company. I will be glad to arrange for execution on the part of the railway company when executed by the United States.

In the meantime I am arranging to assemble at Odair certain switch material and some rail which undoubtedly will be needed soon in starting the construction of interchange tracks that will most likely be desired by the David Ryan Company for material storage.

Yours very truly,

RB h

(66)

August 10, 1934

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Chief Engineer,
Reclamation Service,
Custom House,
Denver, Colorado

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BB h

DEFENDANT'S EXHIBIT 4058

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13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

4057.

Saint Paul, Minn.,
August 9, 1934.

OFFICE OF CHIEF ENGINEER AUG 1934 RECLAMATION SERVICE ST. PAUL, MINN.

MR. BERNARD BLUM:

Referring to your letter of August eighth transmitting revised draft of proposed contract and exhibit covering the construction by the Reclamation Service of a railroad between Odair and the Grand Coulee Damsite.

Inasmuch as you take the position that your conference with Chief Engineer Walter has convinced you it would be absolutely out of the question to obtain any modification in the contract as drafted, I will approve same as written, although I consider it unsatisfactory and in some respects quite inconsistent with itself and the preliminary understanding I had with Mr. Walter.

I cannot help but feel that Mr. Walter did not understand your explanation as to what we had in mind, as he certainly gave no indication that he would not be willing to go along on a reasonable cooperative basis at the time of my preliminary discussion of this question with him.

In view of your present explanation as to their attitude it seems very likely they will object to the revision you have made in paragraph 18, or if they do not, objections will be raised by the contractor for the reason that he already has very definitely been told in the Government specifications what he will be required to do so far as the operation of this railroad is concerned.

However, there is no harm in trying and you may forward the contract to Mr. Walter for execution.

(H056)

Saint Paul, August 8, 1934

Mr. H. E. Stevens:

Your letter of the second about proposed contract between the United States and Northern Pacific for the Coulee Dam Railway:

The points mentioned in your letter were thoroughly discussed with Mr. Walter and Mr. Armand Offutt, District Counsel of the Reclamation Service. Mr. Harper, Assistant Chief Engineer, with whom I understand you negotiated the matter in April, was not there on account of illness.

It was apparent that Mr. Walter was not entirely familiar with their original draft as he objected to certain clauses which were contained in the draft of May 24th sent to you by Mr. Harper.

In the original draft article 13 is worded a little differently than the revised draft. I argued with Mr. Walter that it would be of advantage to the United States to agree to haul commercially shipments from Odair to the head of the Coulee and Mr. Walter flatly refused to have anything to do with the operation and stated that he was not interested in any profit that might accrue to the Government. The final draft of article 13 is I believe an improvement over the May 24 Government draft of article 13 and it was only after several hours argument that Mr. Walter was willing to leave it as drawn and then only when Mr. Offutt called his attention to the fact that it was virtually the same as the Government's own draft and was in accordance with Mr. Harper's promise to you. It is my firm belief that it would be useless to bring this point up again with Mr. Walter.

In regard to article 18. There was nothing in the original draft of the Government's form that protected the Northern Pacific with respect to damage to equipment or claims arising account of alleged defects and after much discussion I was able to get Mr. Walter and Mr. Offutt to agree to the insertion of articles 16, 17 and 18. It is my experience that it is impossible to get any branch of the Government to indemnify us in any contract. We have had several trials at this in connection with highway easements to the Forestry Service, changes in the SP&S Railway in connection with the Bonneville Dam, etc. In my opinion articles 16, 17 and 18 are more than we have been able to obtain from the Government heretofore along these lines.

As you know, the Government officers follow strictly their

specifications and the specifications issued by them for the construction of the Grand Coulee Dam provide that the Contractor assumes all responsibility for the operation and maintenance of the railroad, and Mr. Walter insisted that there could be nothing contained in this new agreement that did not follow the provisions of the general specifications.

As I advised you previously, I discussed with Mr. Slocum of the Silas Mason Company matter of handling commercial shipments from Odair and it is my opinion that we will not have any difficulty in arranging with them to do so. Article 13 requires that the Contractor handle the business of others, and while you are of course correct that it is far more desirable to cover a matter such as that in a direct agreement with the United States, I feel sure that the article as written is all we can expect from the Reclamation Service.

I have discussed these issues with Mr. McCarthy and he has written you in the matter.

In regard to exhibit. Apparently I did not send you print of exhibit map which I had prepared to accompany the contract. Same is attached. The details of the connections at Odair and the delivery yard are shown on scale of 1" equals 400 feet. That is the important part of the railroad to us. The location of the line, with the sidings at the head of the Coulee are shown on small scale and I believe that is sufficient for our purpose.

I do not think there is any doubt as to the understanding about switch material to be furnished in article 9, namely it has reference to metal only. Mr. Banks and I discussed this quite thoroughly and the Government have arranged to order ties. I would not care to amplify that phrase for the reason that I intimated to Mr. Banks that we would furnish available secondhand switch material, and if certain sharp frogs would be necessary on the upper end which we did not have, they would have to purchase same.

I agree that the wording of paragraph 11 is rather awkward. On further reflection I do not believe it is necessary to repeat the yard tracks at Odair or the sidings, and I think the following draft will be sufficient and have so redrawn it:

"11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable secondhand 90 lb rail, angle bars, frogs, switches and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the U.S."

Mr. Stevens #3

In regard to the connection to be made at Odair. As you know, your tentative agreement was that the interchange tracks would be installed on a fifty-fifty basis. In further discussion with Mr. Banks, and this was confirmed in conversation with Mr. Walter, it is now understood that the United States will provide the ties, bolts, spikes and labor for building all of the tracks at Odair as shown in red on the exhibit map, and the Northern Pacific will furnish the agreed metal only. I think it would be best not to clarify more fully the connections at Odair.

In this connection I would call your attention to article 19 wherein it is stated that the maintenance and operation of facilities at Odair will be divided equally except the maintenance of trackage. Inasmuch as the interchange tracks are on the Government's railroad that will make it necessary for them to maintain same.

I am attaching the agreement revised to take care of the revisions suggested by Mr. McCarthy as well as the rewritten article 11 and an addition to article 15 specifying more definitely the freight demurrage tariff.

It is my recommendation that this form be approved so that Mr. Walter can be advised soon.

MB h

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Mr. Stevens #3

In regard to the connection to be made at Odair. As you know, your tentative agreement was that the interchange tracks would be installed on a fifty-fifty basis. In further discussion with Mr. Banks, and this was confirmed in conversation with Mr. Walter, it is now understood that the United States will provide the ties, bolts, spikes and labor for building all of the tracks at Odair as shown in red on the exhibit map, and the Northern Pacific will furnish the agreed metal only. I think it would be best not to clarify more fully the connections at Odair.

In this connection I would call your attention to article 19 wherein it is stated that the maintenance and operation of facilities at Odair will be divided equally except the maintenance of trackage. Inasmuch as the interchange tracks are on the Government's railroad that will make it necessary for them to maintain same.

I am attaching the agreement revised to take care of the revisions suggested by Mr. McCarthy as well as the rewritten article 11 and an addition to article 15 specifying more definitely the freight demurrage tariff.

It is my recommendation that this form be approved so that Mr. Walter can be advised soon.

MB h

4055-

Saint Paul, Minn.,
August 2, 1934.

OFFICE OF CHIEF ENGINEER AUG 3 1934 NOR. PAC. RY. ST. PAUL, MINN.

MR. BERNARD BLUM:

Returning herewith draft of proposed contract between the United States and the Northern Pacific covering construction and operation of a railroad between Odair and Grand Coulee Dam.

I do not see that you have effected any substantial change in the two important particulars which I discussed with you and understood you would try and work out with Mr. Walter.

As I explained to you personally before you left St.Paul it did not seem to me the contractor should be recognized in the provisions of the contract as this contractor is not a party to the contract and the United States should be held responsible for his operations in every way, the same as though the United States were operating the railroad with its own employees. To all intents and purposes the contractor is an employee of the United States and in my opinion the contract should have been drawn on that basic principle.

The amendment Mr. McCarthy has suggested in paragraph 18 helps a little, but I still think the company should look to the United States for adjustment of any items arising out of this contract and leave to them the making of any adjustments or indemnities due them from their contractor. We do not want to be dealing in part with the Government and in part with the contractor.

I suggest you discuss this with Mr. McCarthy and see if you cannot work something out on the above basis.

You have made no change whatever in the last sentence of paragraph 13 covering the service which the Government contractor is to provide, consequently this paragraph is open to the same criticism we had of the original draft. The United States should have agreed direct to furnish reasonable service for handling all business offered for movement over the railroad.

The exhibit provided for is merely the location map. I think we should have exhibits showing connections and yard trackage contemplated at Odair, and also at the head of the canyon. A description in the contract is much too indefinite.

I presume you have a clear understanding that the words "switch material" in paragraph 9 has reference to metal only.

The wording in paragraph 11 reading:

> "**including yard tracks at Odair for the purpose of interchanging and storing cars, sidings and turnouts as specified in Article 8."

is ambiguous. I do not know what you mean by "turnouts". Probably a better wording would be:

> "**including sidings and yard tracks at Odair for the purpose of interchanging and storing cars as specified in Article 8."

There appears to be no definite provision as to how the connection is to be made at Odair or how the expense of construction and maintenance is to be divided. Possibly you had in mind this would come within our half of the interchange trackage, but without an exhibit I am not certain if that would be a correct allocation of the expense.

Copy Mr. F. D. McCarthy

UNITED STATES
DEPARTMENT OF THE INTERIOR (Draft of 7-24-34)
Bureau of Reclamation
Columbia Basin Project

1. This contract, made this ____ day of _____, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act (herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____ _____, Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place ofbusiness at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the NIRA in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a

single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and,

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and

5. WHEREAS, the Company is willing to furnish to the United States, free ofcharge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right-of-way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense, all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge,

f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90# rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including yard tracks at Odair for the purpose of interchanging and storing cars, sidings and turnouts as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after accepted by the United States.

12. The following maximum net cash freight rates, in cents per hundredweight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills-of-lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable

from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

From Sand Point, Idaho, 18¢
From Coeur d'Alene, Idaho, 14¢
From Spokane, Washington, 12½¢

The rates hereinabove shall not be increased during the term of this contract unless in the opinion of the United States such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States

agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made under the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear excepted.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of persons whomsoever or loss of or damage to property whatsoever, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

18. If operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the Contractor shall indemnify and protect the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen per cent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b.

cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have signed their names the day and

year first above written.

THE UNITED STATES OF AMERICA,

By _____
Federal Emergency Administrator
of Public Works and Secretary
of Interior.

NORTHERN PACIFIC RAILWAY COMPANY,

(SEAL) Attest:

By _____

_____
Secretary.

Title _____

4054 8731 "6"

Saint Paul, July 30, 1934

Mr. H. E. Stevens:

I left with you Saturday latest revised draft of proposed contract with the United States covering the Grand Coulee Dam railway which was agreed to in conference with Chief Engineer Walter of the Reclamation Service on July 24 subject, of course, to approval of our superiors.

As I stated to you, I sent copy of the draft to Mr. McCarthy and went over it with him Saturday afternoon. Mr. McCarthy had three minor changes to make in accordance with the attached rewrites, marked paragraphs 8, 15 and 18, corresponding to similar numbered articles in the proposed agreement.

The changes in articles 8 and 15 are quite minor, consisting merely of the addition of two words underscored in red in paragraph 8, and a change in words underscored in red in paragraph 15. Paragraph 18 is a rewrite to provide definitely that the United States will require the contractor to indemnify the Railway Company and is more positive than the way it was drafted on July 24th.

As the matter now stands I am to advise Mr. Walter as promptly as possible of the approval of the draft so that he can send it to Washington. May I have your approval with the slight revisions in articles 8, 15 and 18 as indicated on the attached sheets.

BB h

8. The United States will construct a standard-guage railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached marked "Exhibit A",made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed in be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

18. If the operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the United States agrees that in any contract it may let for the operation of the railroad hereinbefore mentioned it will insert in said contract a provision requiring the Contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

8. The United States will construct a standard-guage railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached marked "Exhibit A", made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed in be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

18. If the operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the United States agrees that in any contract it may let for the operation of the railroad hereinbefore mentioned it will insert in said contract a provision requiring the Contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

N.P. File No. 8731-C

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Columbia Basin Project

(Draft of 7-24-34)

Draft of 8-8-34

DEFENDANT'S EXHIBIT 4052

1. This contract, made this ____ day of _____, 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act (herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____ _____, Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the NIRA in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, proposes to construct a standard-gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a

single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and,

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant (herein styled the Contractor) will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and

5. WHEREAS, the Company is willing to furnish to the United States, free ofcharge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant,

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard-gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right-of-way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense, all supplies and materials going into the railroad, except second-hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center-line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge,

f.o.b. cars at Odair, Washington, sufficient suitable second-hand 90# rail, angle bars, frogs, switches, and tie plates for sharp curves, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including yard tracks at Odair for the purpose of interchanging and storing cars, sidings and turnouts as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after accepted by the United States.

12. The following maximum net cash freight rates, in cents per hundredweight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills-of-lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills-of-lading, the established commercial freight rates over existing routes, less land-grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable

from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

From Sand Point, Idaho, 18¢
From Coeur d'Alene, Idaho, 14¢
From Spokane, Washington, 12½¢

The rates hereinabove shall not be increased during the term of this contract unless in the opinion of the United States such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the Contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between common-carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States

agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the United States shall stop.

See revised. 15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed to be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made under the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

16. The United States shall be responsible for loss of or damage to cars and equipment of the Company and cars and equipment owned by others for which the Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear excepted.

OK 18. If the operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the United States agrees that in any contract it may let for the operation of the railroad hereinbefore mentioned it will insert in said contract a provision requiring the Contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

17. In the event the United States shall operate the railroad, then it is agreed that, except in cases where liability results solely from negligence of the Company, the Company does not and shall not assume any liability for injury to or death of persons whomsoever or loss of or damage to property whatsoever, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the operations by the United States.

See rewrite X 18. If operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the Contractor shall indemnify and protect the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

19. The Company shall provide such employees and facilities as may be necessary for maintaining and operating interchange facilities at Odair, and the costs thereof, other than maintenance of trackage, will be equally divided between the Company and the United States. The Company shall render quarterly to the United States itemized bills covering such costs, plus fifteen per cent to cover superintendence and expenses not possible of exact ascertainment.

20. The United States shall return to the Company, without cost, f.o.b.

cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that, if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that, at the option of the United States, the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

21. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have signed their names the day and

year first above written.

THE UNITED STATES OF AMERICA,

By _____
Federal Emergency Administrator
of Public Works and Secretary
of Interior.

NORTHERN PACIFIC RAILWAY COMPANY,

(SEAL) Attest:

By _____

_____
Secretary.

Title _____

American Railway Association Freight

Tariff 4-N. Dec No. 2639, B.T. Jones, Agent,

naming car demurrage rules & charges

art 15 – insert at "^"

N. P. File No. 131-C

DEFENDANT'S EXHIBIT 4051

OK 8. The United States will construct a standard-guage railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached marked "Exhibit A", made a

OK

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington , sufficient suitable second-hand 90# (90-lb.) rail, angle bars, frogs, switches and tie plates for sharp curves, to complete the construction of the railroad as specified in Article 8. It is understood that the demurrage agreement hereinafter provided for will apply to the cars of track material after acceptance by the United States.

settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

N. P. File No. 5131-C

DEFENDANT'S EXHIBIT 4051

OK 8. The United States will construct a standard-guage railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about [illegible] miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, [illegible]e Columbia River, about thirty miles northeast of Coulee City, Washington, [illegible]n on the location map hereto attached marked "Exhibit A", made a [illegible]hereof, such railroad to consist of yard tracks for the purpose of [illegible]terchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

OK 15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed in be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

8. The United States will construct a standard-guage railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached marked "Exhibit A", made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed in be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

18. If the operation of the railroad is contracted by the United States, the provisions of Article 17 shall likewise apply against the Contractor, and in addition the United States agrees that in any contract it may let for the operation of the railroad hereinbefore mentioned it will insert in said contract a provision requiring the Contractor to furnish the Company with an indemnity agreement protecting the Company against any and all claims arising or growing out of alleged defects in cars and equipment owned by the Company and cars and equipment owned by others for which the Company is responsible.

8. The United States will construct a standard-guage railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map hereto attached marked "Exhibit A", made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a single-track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single-track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

15. All cars and equipment placed by the Company on the designated tracks in said interchange yard shall be deemed in be in the possession of the United States and to continue in the possession of the United States from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks. The United States shall pay the Company demurrage accruing on all cars and equipment owned by the Company and on cars and equipment owned by others for which the Company is responsible while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made in accordance with the terms and provisions of the American Railway Association Freight Tariffs naming national car demurrage rules and charges, supplements thereto and reissues thereof including the average basis for settling for detention to cars.

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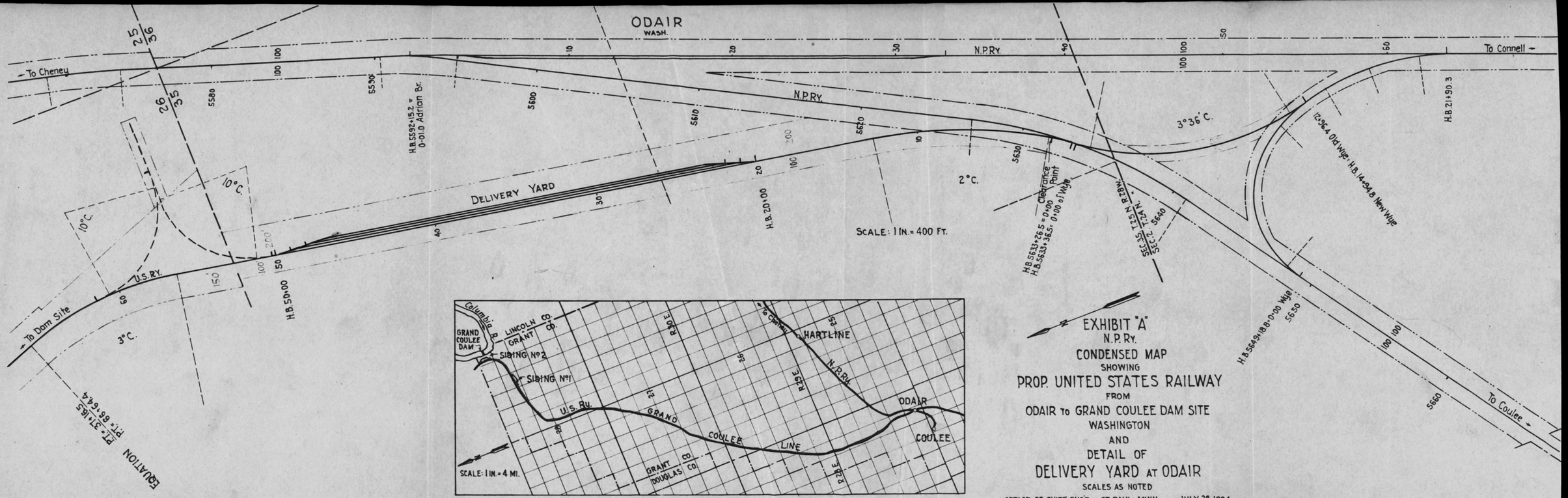


EXHIBIT "A"
N.P.Ry.

CONDENSED MAP
SHOWING
PROP. UNITED STATES RAILWAY
FROM
ODAIR to GRAND COULEE DAM SITE
WASHINGTON
AND
DETAIL OF
DELIVERY YARD AT ODAIR
SCALES AS NOTED

OFFICE OF CHIEF ENGR. ST. PAUL, MINN. JULY 28, 1934.
Tracks to be constructed by United States shown ——

Denver, Colorado
July 24, 1934

Mr. F. D. McCarthy

I am handing you herewith a revised draft of proposed agreement with the United States, covering construction and operation of the Grand Coulee Dam Railroad. This re-draft follows conference which I have just had with Chief Engineer Walter and District Counsel Armand Offutt. I have incorporated in this contract an average demurrage agreement for the reason that the United States will not sign the printed demurrage agreement as a separate contract. It was also necessary to change the liability article for the reason the United States will not indemnify the railroad company. The re-draft follows in substance the form of contract between the United States and the Six Companies, although in very much modified form.

The first thirteen articles are practically without change except for minor corrections. No. 14 is a rewritten demurrage article, or rather is preliminary to the demurrage article which follows in article No. 15. No. 16 was lifted from the Six Companies contract, as was article No. 17. No. 18 was a re-write from article you drafted so as to have the contractor indemnify the railroad. No. 19 is a re-draft of similar article to which is added the matter of billing. This was insisted upon by Mr. Walter. No. 20 and 21 are unchanged.

I will be glad to have you advise if this meets with your approval, calling your attention especially to Article 15. I suggest you check this article with the Traffic Department. I might also suggest that you show this redraft to Mr. Stevens.

I may be back in St. Paul Saturday morning. It seems important to have this contract completed as early as possible. They will await our approval or suggested changes before transmitting to Washington for their approval. I will see you immediately upon my return.

4050

Denver, Colorado
July 24, 1934

Mr. F. D. McCarthy

I am handing you herewith a revised draft of proposed agreement with the United States, covering construction and operation of the Grand Coulee Dam Railroad. This re-draft follows conference which I have just had with Chief Engineer Walter and District Counsel Armand Offutt. I have incorporated in this contract an average demurrage agreement for the reason that the United States will not sign the printed demurrage agreement as a separate contract. It was also necessary to change the liability article for the reason the United States will not indemnify the railroad company. The re-draft follows in substance the form of contract between the United States and the Six Companies, although in very much modified form.

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I may be back in St. Paul Saturday morning. It seems important to have this contract completed as early as possible. They will await our approval or suggested changes before transmitting to Washington for their approval. I will see you immediately upon my return.

8731

P049

At Billings, Montana
July 20th, 1934

Mr. J. T. Derrig:

Your letter of the 18th transmitting several prints of Exhibit for contract with the Government covering construction of Coulee Dam Railroad:

I see no reason for your so-called proposition No. 2, as I believe it calls too much attention to the piece of track we have called our Odair wye track.

It appears now the Government are not going to furnish any wye tracks in the contract, either at Odair or at the head of the dry coulee, at least that was the expression of Mr. Banks. Mr. Banks appears perfectly willing to build the wye track between our present wye connection if we will furnish the metal.

With respect to the small scale map. I think that should be marked location sketch.

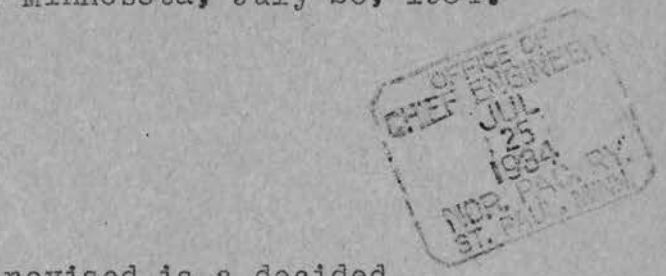
With respect to the title: You call it condensed map. The Exhibit itself appears to cover track at Odair with small insert map, so that condensed map appears to be a misnomer. Why not say something as follows - Exhibit "A" Proposed Railway from Odair to Grand Coulee Dam, Washington accompanying contract dated_____between the United States and the Northern Pacific Railway.

At any rate these details can await my return from Denver. There may be other points brought up by Mr. Walter.

BB:wp

17

St. Paul, Minnesota, July 20, 1934.




Mr. Bernard Blum:

The contract as now revised is a decided improvement over the first draft.

Assistant General Counsel.

McC-m
Enc.

1 B

draft July 7-1934

1. This contract, made this _____ day of _____ 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 195), known as the National Industrial Recovery Act (herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____ Federal Emergency Administrator of Public Works and Secretary of the Interior (herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the NIRA in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, propose to construct a standard gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and,

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant, will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from connection with the Washington Central

Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and,

6. WHEREAS, the Company is willing to establish maximum not cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant.

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, a wye track at Odair, a single track railroad from Odair to the head of Grand Coulee, a siding and a wye at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense, all supplies and materials going into the railroad, except rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable 90# rail,

angle bars, frogs, switches and tie plates for sharp curves, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including yard tracks at Odair for the purpose of interchanging and storing cars, sidings, wye tracks and turnouts as specified in Section 8. It is understood that the demurrage rules of the Company will apply to the cars of track material after accepted by the United States or its Contractor.

12. The following maximum net cash freight rates, in cents per hundredweight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 18¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of lading, the established commercial freight rates over existing routes, less land grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho | 19¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington | 13½¢ |

The rates hereinabove shall not be increased during the term of this contract unless in the opinion of the United States such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed

to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between Common Carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the contractor shall stop.

15. The United States agrees that it or its contractor, for the construction of the Grand Coulee Dam and power plant, will pay the Company for all damage which cars delivered to the said contractor may sustain from any cause whatever while in the possession of said contractor and will indemnify and protect the Company against any and all claims on account of alleged defects in such equipment, and return promptly all cars received from the Company and be governed by tariff provisions relating to demurrage, and the parties hereto agree to enter into an over go demurrage agreement. For the purpose of fixing liability for loss and damage to cars and lading, cars and loads placed by the Company on the designated tracks in said yard shall be deemed to be in the possession of the contractor and to continue in the possession of the contractor from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks.

16. The salaries of employees and all other costs of establishing, maintaining and operating interchange facilities, other than maintenance of trackage, at Odair, found necessary by the Company in the joint operation,

will be divided equally between the Company and the United States.

17. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that at the option of the United States the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

18. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In witness whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By_____
Federal Emergency Administrator of Public Works and Secretary of the Interior.

(SEAL) Attest:

_____
Secretary.

NORTHERN PACIFIC RAILWAY COMPANY,

By_____

1. This contract, made this _____ day of _____ 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act (Herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____ Federal Emergency Administrator of Public Works and Secretary of the Interior (Herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the NIRA in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, propose to construct a standard gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and,

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant, will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central

Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and,

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant.

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, ~~a wye track at Odair,~~ a single track railroad from Odair to the head of Grand Coulee, a siding ~~and a wye at the head of Grand Coulee~~ at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense, all supplies and materials going into the railroad, except Second Hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable 90# rail,

angle bars, frogs, switches and tie plates for sharp curves, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including yard tracks at Odair for the purpose of interchanging and storing cars, sidings, ~~wye tracks~~ and turnouts as specified in Section 8. It is understood that the demurrage rules of the Company will apply to the cars of track material after accepted by the United States or its Contractor.

12. The following maximum net cash freight rates, in cents per hundredweight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of lading, the established commercial freight rates over existing routes, less land grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho | 10¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington | 12½¢ |

The rates hereinabove shall not be increased during the term of this contract unless in the opinion of the United States such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed

to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between Common Carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the contractor shall stop.

15. The United States agrees that it or its contractor, for the construction of the Grand Coulee Dam and power plant, will pay the Company for all damage which cars delivered to the said contractor may sustain from any cause whatever while in the possession of said contractor and will indemnify and protect the Company against any and all claims on account of alleged defects in such equipment, and return promptly all cars received from the Company and be governed by tariff provisions relating to demurrage, and the parties hereto agree to enter into an average demurrage agreement. For the purpose of fixing liability for loss and damage to cars and lading, cars and loads placed by the Company on the designated tracks in said yard shall be deemed to be in the possession of the contractor and to continue in the possession of the contractor from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks.

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will be divided equally between the Company and the United States.

17. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that at the option of the United States the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

18. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____
Federal Emergency Administrator of Public Works and Secretary of the Interior.

(SEAL) Attest:

NORTHERN PACIFIC RAILWAY COMPANY,

By _____

_____
Secretary.

1. This contract, made this _____ day of _____ 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act (Herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____ Federal Emergency Administrator of Public Works and Secretary of the Interior (Herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

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3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant, will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central

Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and,

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9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense, all supplies and materials going into the railroad, except rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable 90# rail,

angle bars, frogs, switches and tie plates for sharp curves, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including yard tracks at Odair for the purpose of interchanging and storing cars, sidings, wye tracks and turnouts as specified in Section 8. It is understood that the demurrage rules of the Company will apply to the cars of track material after accepted by the United States or its Contractor.

12. The following maximum net cash freight rates, in cents per hundredweight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

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| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of lading, the established commercial freight rates over existing routes, less land grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho | 18¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington | 12½¢ |

The rates hereinabove shall not be increased during the term of this contract unless in the opinion of the United States such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed

to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between Common Carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the contractor shall stop.

15. The United States agrees that it or its contractor, for the construction of the Grand Coulee Dam and power plant, will pay the Company for all damage which cars delivered to the said contractor may sustain from any cause whatever while in the possession of said contractor and will indemnify and protect the Company against any and all claims on account of alleged defects in such equipment, and return promptly all cars received from the Company and be governed by tariff provisions relating to demurrage, and the parties hereto agree to enter into an average demurrage agreement. For the purpose of fixing liability for loss and damage to cars and lading, cars and loads placed by the Company on the designated tracks in said yard shall be deemed to be in the possession of the contractor and to continue in the possession of the contractor from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks.

16. The salaries of employees and all other costs of establishing, maintaining and operating interchange facilities, other than maintenance of trackage, at Odair, found necessary by the Company in the joint operation,

will be divided equally between the Company and the United States.

17. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that at the option of the United States the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

18. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By_____
Federal Emergency Administrator
of Public Works and Secretary of
the Interior.

(SEAL) Attest:

NORTHERN PACIFIC RAILWAY COMPANY,

By_____

_____
Secretary.

N. P. File No. 8731-C

DEFENDANT'S EXHIBIT 4048

B.B.
7-23

1. This contract, made this _____ day of _____ 1934, in pursuance of the act of Congress of June 16, 1933 (48 Stat. 196), known as the National Industrial Recovery Act (Herein styled the NIRA), between THE UNITED STATES OF AMERICA (herein styled the United States), acting in this behalf by _____ Federal Emergency Administrator of Public Works and Secretary of the Interior (Herein styled the Administrator and/or the Secretary), and the NORTHERN PACIFIC RAILWAY COMPANY, a corporation of the State of Wisconsin (herein styled the Company), having its principal place of business at St. Paul, Minnesota. WITNESSETH:

2. WHEREAS, the United States is engaged under the NIRA in constructing the Grand Coulee dam and power plant of the Columbia Basin project, in the State of Washington, and, as a part of such work, propose to construct a standard gauge construction railroad from Odair, Washington, a siding on the Northern Pacific Railroad, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, consisting of yard tracks at Odair for the purpose of interchanging and storing cars, a single track railroad from Odair to the head of Grand Coulee, a siding at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site; and,

3. WHEREAS, it is contemplated that the contractor for construction of the Grand Coulee dam and power plant, will operate and maintain the construction railroad after its completion; and

4. WHEREAS, the Company has heretofore made surveys for such a railroad, and is willing to turn over to the United States all data covering such surveys and suggestions for the construction of such railroad without charge; and

5. WHEREAS, the Company is willing to furnish to the United States, free of charge, f.o.b. cars at Odair, Washington, sufficient rail and fastenings to complete the construction of such railroad, including yard, tracks and sidings, from a connection with the Washington Central

Branch of the Company at Odair, Washington, to the Grand Coulee Dam site; and,

6. WHEREAS, the Company is willing to establish maximum net cash freight rates on certain materials, supplies and equipment moving on Government bills of lading and used in the construction of the Grand Coulee dam and power plant.

7. NOW, THEREFORE, in consideration of the premises and of the covenants and conditions herein contained, it is agreed between the parties as follows:

8. The United States will construct a standard gauge railroad to extend from Odair, Washington, on the Washington Central Branch of the Company, about two miles northeast of Coulee City, Washington, to the Grand Coulee Dam site, on the Columbia River, about thirty miles northeast of Coulee City, Washington, as shown on the location map marked Exhibit A, made a part hereof, such railroad to consist of yard tracks for the purpose of interchanging and storing cars at Odair, ~~a wye track at Odair~~, a single track railroad from Odair to the head of Grand Coulee, a siding ~~at Odair~~ at the head of Grand Coulee, a single track railroad from the head of Grand Coulee to the Grand Coulee Dam site, and a siding near the dam site.

9. The United States will furnish the right of way for the railroad and will perform the necessary work of construction, and will furnish, at its own expense, all supplies and materials going into the railroad, except second hand rail, angle bars, switch material and tie plates for use on sharp curves.

10. The Company will turn over to the United States, without charge, complete data covering the preliminary surveys for the railroad as heretofore made by the Company, and will stake out on the ground the definite center line location of the railroad, and will also make available to the United States the Company's plans, specifications, and estimates for construction of the railroad.

11. The Company will also furnish to the United States, without charge, f.o.b. cars at Odair, Washington, sufficient suitable second hand 90# rail,

angle bars, frogs, switches and tie plates for sharp curves, to complete the construction of the railroad from Odair to the Grand Coulee Dam site, including yard tracks at Odair for the purpose of interchanging and storing cars, sidings, ~~[illegible]~~ and turnouts as specified in ~~section~~ article 8. It is understood that the demurrage ~~rules of the Company~~ department hereinafter provided for will apply to the cars of track material after accepted by the United States ~~Government~~.

12. The following maximum net cash freight rates, in cents per hundredweight, are hereby established by the Company on cement moving over existing rail routes in cars loaded to maximum capacity from certain points, as herein listed, in the State of Washington to Odair, Washington, on Government bills of lading, for use in construction of the Grand Coulee dam and power plant:

| | |
|---|---|
| Irvin | 15¢ |
| Metaline Falls | 17¢ |
| Bellingham | 17¢ |
| Concrete | 17¢ |
| Seattle | 17¢ |
| Grotto | 17¢ |

On the balance of the items of materials, supplies and equipment to be used in the construction of the Grand Coulee dam and power plant and moving on Government bills of lading, the established commercial freight rates over existing routes, less land grant deduction, shall apply, with the following exceptions:

(1) From Seattle and Tacoma, Washington, the net cash rate applicable from Portland, Oregon, on iron and steel articles and machinery shall apply;

(2) The following maximum rates shall apply on lumber and cribbing:

| | |
|---|---|
| From Sand Point, Idaho | 10¢ |
| From Coeur d'Alene, Idaho | 14¢ |
| From Spokane, Washington | 12½¢ |

The rates hereinabove shall not be increased during the term of this contract unless in the opinion of the United States such rates become inequitable because of changed conditions or if the necessity arises for the fixing of rates on additional items or from additional points, adjustments will be made in the established rates or such new rates will be made as may be agreed

to by the authorized representatives of the Company and the United States.

13. Operation and maintenance of the railroad will be under the direct supervision and control of the United States. If contracted, the contractor will be required to provide reasonable service thereover for handling the business of the United States and others during the contract period.

14. The United States agrees to interchange loaded and empty cars with the Company at Odair and to handle same in the manner usual between Common Carrier railroads. The Company will deliver cars upon such tracks in said yard as may be mutually agreed upon between the United States and the superintendent of the Company. The United States will deliver cars to the Company upon tracks designated for that purpose in said yard. The United States agrees not to operate engines or cars nearer to the tracks of the Company than a point to be marked on the ground by the Company designating where engines or cars of the ~~contractor~~ United States shall stop.

15. The United States agrees that it or its contractor, for the construction of the Grand Coulee Dam and power plant, will pay the Company for all damage which cars delivered to the said contractor may sustain from any cause whatever while in the possession of said contractor and will indemnify and protect the Company against any and all claims on account of alleged defects in such equipment, and return promptly all cars received from the Company and be governed by tariff provisions relating to demurrage, and the parties hereto agree to enter into an average demurrage agreement. For the purpose of fixing liability for loss and damage to cars and lading, cars and loads placed by the Company on the designated tracks in said yard shall be deemed to be in the possession of the contractor and to continue in the possession of the contractor from the time so placed upon said designated tracks by the Company until the Company shall move said cars from said yard onto its own tracks.

16. The salaries of employees and all other costs of establishing, maintaining and operating interchange facilities, other than maintenance of trackage, at Odair, found necessary by the Company in the joint operation,

will be divided equally between the Company and the United States. or the Contractor.

new ¶ 20 17. The United States shall return to the Company, without cost, f.o.b. cars at Odair, Washington, all rail and fastenings furnished to the United States by the Company in as good condition as when furnished by the Company, ordinary wear and tear excepted, promptly on completion of the Grand Coulee dam and power plant; provided that if, on completion of the dam and power plant, it appears probable that the United States will, within a few years thereafter, proceed with the work of increasing the height of said dam, the Company will not require return of the rail and fastenings until the said high dam has been completed; and provided further that if no decision as to the construction of the proposed high dam is reached within a period of ten years from the date of this agreement, the United States will, on demand of the Company, pick up and return the rail and fastenings to the Company, free of charge, f.o.b. cars at Odair, Washington; and provided further, that at the option of the United States the Company will pick up the rail and fastenings and the United States shall pay to the Company the actual cost of doing such work.

new 21 18. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____
Federal Emergency Administrator of Public Works and Secretary of the Interior.

(SEAL) Attest:

NORTHERN PACIFIC RAILWAY COMPANY,

By _____

_____
Secretary.

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

10 VS H

St Paul July 20-1934

Bernard Blum Care 12

Helena

B-195 exhibit maps propositions one and two forwarded to you in mail Bag ten out of St PAul 18th D-81

J T Derrig

853A

N. P. 1386 12-24

# TELEGRAM—BE BRIEF

TIME FILED M.

Helena, Mont. July 19, 1934

J T Derrig
St Paul Minn

Regarding exhibit map of contract stop Banks does not firgure on furnishing contractor with wye on the government railway shown pencil on revised map of July 11th stop He suggests we indicate that wye in dotted red stop Have you sent me copies of exhibit stop Suggest if necessary send me revised prints mail package tonight stop Expect to leave Billings Saturday or Sunday morning B-195

BERNARD BLUM

4047

OFFICE OF CHIEF ENGINEER
JUL 18 1934
NOR. PACIFIC RY.
ST. PAUL, MINN.

St Paul Minn

July 18 1934

Mr Bernard Blum:

I am attaching herewith three prints each of Exhibit A for proposed contract with the government covering construction of the Grand Coulee line, designated as Propositions No 1 and 2.

Propostion No 1 defines the leg of wye, but makes no reference to the delivery yard in the small insert on the print. Proposition No 2 defines the leg of wye as a connection to the delivery yard and I have also placed a note on the insert section of the exhibit referring to the delivery yard and connecting track at Odair.

Wnen at Spokane Mr Darland seemed to question the necessity of the government participating in the leg of wye of the connecting track since the delivery track was moved outside of our track limits. I think we should insist on the government standing the expense of the connecting track and I therefore think it will be preferable to show it on the exhibit as outlined in Proposition No 2. You will note that I have defined this track as a connection to the delivery yard rather than as a "leg of wye."

With the attached information please advise how you wish the tracing completed and if you decide to use Proposition 2 I think it will be advisable to make reference to these two tracks in paragraph 2 and 8 of the contract as outlined in my wire of the 17th.

JTD J enc

Asst to Chief Engineer

4046

OFFICE OF CHIEF ENGINEER
JUL 9 1934
NOR. PAC. RY.
ST. PAUL, MINN.

Saint Paul, Minn.,

July 9, 1934.

MR. BERNARD BLUM:

Herewith for your files two copies of Mr. Clark's letter to Mr. Walter dated April 4, 1934, giving the general terms of his agreement with the Reclamation Service for tariffs covering movements of materials to the Coulee Dam.

Copy Mr. W. C. Sloan

B

A t Denver, Colorado,
April 4, 1934

Dear Sir:

Under the plan that the Government will finance the construction of a railroad from Odair to the Grand Coulee dam site on the basis outlined in Mr. Stevens' letter to you of March 28, 1934, the Northern Pacific Railway Company will quote to point of connection with this proposed line net cash rates, in cents per hundred weight, as shown herein, as maximum rates on material moved on Government bills of lading and used in the construction of the so-called low dam unit at GrandCoulee.

The tonnages on material used in this computation are those shown on statement you furnished, headed "Estimated Freight Costs on Material for Low Dam Grand Coulee - Columbia Basin". The total tonnage of materials as shown on that statement is 1,800,000,000 pounds, or 900,000 tons; and of this total, 1,600,000,000 pounds, or 800,000 tons, is cement.

It is our understanding that it will be the policy of the Government, so far as possible, to use in the construction of this unit materials originating in the State of Washington.

You furnished us information that the six cement plants shown on your statement have a daily capacity in barrels as follows:

| | |
|---|---|
| Irvin | 1,800 |
| Metaline Falls | 1,650 |
| Bellingham | 2,700 |
| Concrete | 3,500 |
| Seattle | 3,300 |
| Grotto | 1,650 |
| Total | 14,600 |

You indicated that it would be your policy to divide the order on a prorata basis on the capacity of the plant, question of quality being satisfactory.

The Railway Company proposes as maximum net cash rates on cement as follows:

| | |
|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17 |
| Bellingham | 17 |
| Concrete | 17 |
| Seattle | 17 |
| Grotto | 17 |

We will apply on the balance of the items listed in the first three classes of your statement the commercial rates less land grant

deduction, with following exceptions:

1 - We will quote from Seattle and Tacoma the net cash rate applicable from Portland on iron and steel articles and machinery; and
2 - We will quote on lumber and cribbing as maximum rates:

| | | |
|---|---|---|
| From | Sand Point | 18¢ |
| | Coeur d'Alene | 14 |
| | Spokane | 12½ |

I understand from our discussions that, if the cement is bought from present existing plants, the rates quoted in this letter will insure movement of this cement via existing rail routes.

I appreciate the opportunity you have given to discuss these matters, and we will be glad to work out with you from time to time such adjustments as may be necessary to meet any fair competition that may develop as the work proceeds.

Yours truly,

(R. W. Clark)

Mr. R. F. Walter,
Chief Engineer, Bureau of Reclamation
Denver, Colorado

A t Denver, Colorado,
April 4, 1934

Dear Sir:

Under the plan that the Government will finance the construction of a railroad from Odair to the Grand Coulee dam site on the basis outlined in Mr. Stevens' letter to you of March 28, 1934, the Northern Pacific Railway Company will quote to point of connection with this proposed line net cash rates, in cents per hundred weight, as shown herein, as maximum rates on material moved on Government bills of lading and used in the construction of the so-called low dam unit at GrandCoulee.

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It is our understanding that it will be the policy of the Government, so far as possible, to use in the construction of this unit materials originating in the State of Washington.

You furnished us information that the six cement plants shown on your statement have a daily capacity in barrels as follows:

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| Concrete | 3,500 |
| Seattle | 3,300 |
| Grotto | 1,650 |
| Total | 14,600 |

You indicated that it would be your policy to divide the order on a prorata basis on the capacity of the plant, question of quality being satisfactory.

The Railway Company proposes as maximum net cash rates on cement as follows:

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|---|---|
| Irvin | 13¢ |
| Metaline Falls | 17 |
| Bellingham | 17 |
| Concrete | 17 |
| Seattle | 17 |
| Grotto | 17 |

We will apply on the balance of the items listed in the first three classes of your statement the commercial rates less land grant

deduction, with following exceptions:

1 - We will quote from Seattle andTacoma the net cash rate applicable from Portland on iron and steel articles and machinery; and
2 - We will quote on lumber and cribbing as maximum rates:

| | | |
|---|---|---|
| From | Sand Point | 18¢ |
| | Coeur d'Alene | 14 |
| | Spokane | 12½ |

I understand from our discussions that, if the cement is bought from present existing plants, the rates quoted in this letter will insure movement of this cement via existing rail routes.

I appreciate the opportunity you have given to discuss these matters, and we will be glad to work out with you from time to time such adjustments as may be necessary to meet any fair competition that may develop as the work proceeds.

Yours truly,

(R W Clark)

Mr. R. F. Walter,
Chief Engineer, Bureau of Reclamation
Denver, Colorado

N. P. File No. 8731-C

DEFENDANT'S EXHIBIT 4045
Denver Office
EXHIBIT 12-A

# A G R E E M E N T

between

SIX COMPANIES, INC.,

UNITED STATES OF AMERICA,

and

LOS ANGELES & SALT LAKE RAILROAD COMPANY

- -

Dated March 11, 1931.

- -

Pertaining to use of Joint Section of Railroad to site of proposed dam in Colorado River at Black Canyon.

- -

THIS AGREEMENT, made and entered into this 11th day of March, 1931, by and between Six Companies, Inc., a corporation of the State of Delaware, (hereinafter referred to as "Contractor"), party of the first part, UNITED STATES OF AMERICA, by R. F. Walter Chief Engineer, Bureau of Reclamation (hereinafter referred to as "United States"), party of the second part, and LOS ANGELES & SALT LAKE RAILROAD COMPANY, a corporation organized and existing under the laws of the State of Utah (hereinafter referred to as "Railroad Company"), party of the third part, WITNESSETH:

RECITALS:

The United States and the Railroad Company, under date of August 1, 1930, entered into a written contract covering the construction, maintenance and operation of a railroad from a point on the main line of the Railroad Company 7.17 miles southwesterly from Las Vegas, Nevada, to the site of the proposed dam on the Colorado River at Black Canyon. A copy of said contract is hereto attached, marked Exhibit A and hereby made a part hereof.

Under said contract said railroad is divided into three sections, namely the Railroad Company's Section, to be owned and operated by the Railroad Company; the United States' Section, to be owned by and operated by or on behalf of the United States; and the Joint Section, lying between the two, to be owned by the Railroad Company but to be used in common by the parties for delivering cars and equipment from one party to the other.

Section 13 of said contract reads as follows:

"Section 13. OPERATION BY CONTRACTOR FOR UNITED STATES.

"It is understood that the United States will let a contract for the operation of the United States' Section, and in that event it is agreed that the contractor to whom such contract is let shall have the right to use the Joint Section for and on behalf of the United States, subject, however, to all of the terms and conditions hereof applicable to use by the United States, except that liability as between the Railroad Company and the contractor shall be fixed as provided in Section 14 hereof. Before entering into the use of the Joint Section such contractor shall agree in writing with the United States and with the Railroad Company to observe the terms and conditions of this agreement as they are under this Section 13 made applicable to such contractor."

The United States has let or is about to let a contract to the Contractor for the operation of the United States' Section of said railroad as in Exhibit A defined, upon the condition, however, among other things, that the Contractor will agree in writing with the United States and with the Railroad Company to observe the terms and conditions of said contract of August 1, 1930, as they are under said Section 13 made applicable to the Contractor. For the purpose of evidencing the agreement of the Contractor in this respect this agreement is made.

AGREEMENT:

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

Section 1. The Contractor shall have, and is hereby given, the right to use the aforesaid Joint Section of said railroad for and on behalf of the United States, subject, however, to all of the terms and conditions of the aforesaid contract of August 1, 1930, applicable to the use of the same by the United States, except that liability as between the Railroad Company and the Contractor shall be fixed as provided in Section 14 of said contract.

Section 2. In consideration of the premises and the right hereby granted to the Contractor so to use said Joint Section, the Contractor hereby covenants and agrees with the other parties hereto that the Contractor shall observe all of the terms and conditions of said contract of August 1, 1930, applicable to the use of the Joint Section by the United States, except that liability, as defined in Section 14 of said contract, shall be fixed as between the Railroad Company and the Contractor in accordance with the provisions of said Section 14 providing for the fixing of liability as between the Railroad Company and the Contractor employed by the United States to operate the United States' Section.

Section 3. No member of, or delegate to, Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

Section 4. In the performance of this contract, no persons shall be employed who are undergoing sentences of imprisonment at hard labor which have been imposed by the courts of the several states or territories or municipalities having criminal jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in triplicate as of the date first herein written.

Witness:

Samuel O. Stevens

Attest:

Charles A. Shea,
Secretary.

SIX COMPANIES, INC.,

By W. H. Wattis,
Its President.

Witness:

Walker R. Young.

UNITED STATES OF AMERICA,

APR 11 1931

By H. W. Walter,
Chief Engineer,
Bureau of Reclamation.

Witness:

F. J. Helia.

LOS ANGELES & SALT LAKE RAILROAD COMPANY.

By C. E. Gray,
Its President.

Attest:

C. B. Matthai,
Asst. Secretary, LA&SL.

(SEAL)

- - -

EXHIBIT A.

# A G R E E M E N T

between

UNITED STATES OF AMERICA

and

LOS ANGELES & SALT LAKE RAILROAD COMPANY

-

Dated August 1, 1930.

-

Covering construction, maintenance and operation of a railroad from a point on the LA&SL RR 7.17 miles southwesterly from Las Vegas, Nevada, to site of proposed dam in the Colorado River at Black Canyon.

-

THIS AGREEMENT, made and entered into this first day of August, 1930, by and between the UNITED STATES OF AMERICA, by Jos. M. Dixon, First Assistant Secretary of the Interior, pursuant to the provisions of the Act of Congress of June 17, 1902 (32 Stat. 388) and acts amendatory thereof or supplementary thereto (hereinafter referred to as "United States"), party of the first part, and LOS ANGELES & SALT LAKE RAILROAD COMPANY, a corporation authorized and existing under the laws of the State of Utah (hereinafter referred to as "Railroad Company"), party of the second part, WITNESSETH:

RECITALS:

Pursuant to the provisions of the Act of Congress approved December 21, 1928 (45 Stat. 1057) known as the "Boulder Canyon Project Act", the United States intends to proceed with the construction of a dam, reservoir, power plant, and appurtenant works in the Colorado River at Black Canyon.

To facilitate the construction of said dam, reservoir, power plant and appurtenant works, the United States desires the construction, maintenance and operation of a single track, standard gauge railroad (hereinafter referred to as "Railroad") extending from a connection with the main line of the Los Angeles & Salt Lake Railroad at a point 7.17 miles southwesterly from Las Vegas, Clark County, Nevada; thence in a southeasterly and easterly direction a distance of approximately 29.84 miles to a point in the vicinity of the site of said dam, in the location substantially as shown by yellow, black and green lines on the map and profile hereto attached, dated August 21, 1929, identified as C. E. drawing No. 51144, marked "Exhibit A" and hereby made a part hereof.

The United States has requested the Railroad Company to join in the construction, maintenance and operation of the Railroad, which the Railroad Company is willing to do upon the terms and conditions hereinafter stated.

AGREEMENT:

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

Section 1. DIVISION OF RAILROAD.

For the purposes of construction, maintenance, operation and ownership, the Railroad shall be divided into three sections, as follows:

(a) Railroad Company's Section, including all that portion of the Railroad between said point of connection with the main line of the Los Angeles & Salt Lake Railroad and Mile Post 22.39, comprising approximately 22.39 miles of single main track and all side and yard tracks and other facilities necessary for the operation and use thereof other than the tracks of the "Delivery Yard" at Summit hereinafter referred to;

(b) Joint Section, including all that portion of the Railroad between said Mile Post 22.39 and Mile Post 22.71 (0.32 miles of single main track) and the Delivery Yard at Summit; and

(c) United States' Section, including all that portion of the Railroad beyond said Mile Post 22.71, comprising approximately 7.13 miles of single main track and all side and yard tracks, spurs, switch-backs and other tracks and facilities necessary for the operation and use thereof other than said Delivery Yard.

Section 2. CONSTRUCTION, MAINTENANCE AND OPERATION OF RAILROAD COMPANY'S SECTION.

The Railroad Company shall, at its sole cost and expense, construct and thereafter, during the term hereof, maintain the Railroad Company's Section in the location and to the grade line substantially as shown by yellow lines on Exhibit A.

Upon the completion of the construction of the Railroad Company's Section, the Railroad Company will operate the same for general transportation purposes during the term of this agreement.

Section 3. CONSTRUCTION AND MAINTENANCE OF JOINT SECTION.

The Railroad Company shall, at its sole cost and expense, construct the Joint Section in the location and to the grade line substantially as shown by black lines on Exhibit A, and, at the joint and equal expense of the parties hereto, maintain, repair and renew the same.

Section 4. CONSTRUCTION, MAINTENANCE AND OPERATION OF UNITED STATES' SECTION.

The United States shall, at its sole cost and expense, construct, or cause to be constructed, and thereafter, during the term hereof, maintain and operate, or cause to be maintained and operated, with power and equipment provided by or for it, the United States' Section in the location and to the grade line substantially as shown by green lines on Exhibit A.

Section 5. UNITED STATES TO PAY.

The United States shall pay to the Railroad Company from time to time during the term hereof, within thirty days after rendition of bills therefor, one-half of the cost to the Railroad Company of the maintenance, repair and renewal of the Joint Section. "Cost" as in this section used shall mean all assignable costs, plus 10% (except on value of second-hand material and amounts representing full tariff freight charges on material) to cover elements of expense not capable of exact ascertainment. Material shall be charged at current value when and where used.

Section 6. OWNERSHIP OF RAILROAD.

The Railroad Company shall severally own the Railroad Company's Section and the Joint Section. The United States shall severally own the United States' Section.

Section 7. USE OF JOINT SECTION - DELIVERY OF CARS AND EQUIPMENT.

The Joint Section shall be used in common by the parties hereto for delivering cars and equipment from one party to the other.

Delivery of such cars and equipment shall be deemed to be completed upon the placement thereof on the tracks of the Delivery Yard by the delivering party, and the receiving party shall remove from the said tracks all cars and equipment so delivered to it.

Section 8. OPERATION OF JOINT SECTION.

The operation of the Joint Section shall be under the direction and control of the Railroad Company, and the operation of engines, trains or cars by or for the United States on and along any of the tracks of the Joint Section shall at all times be in strict accordance with the rules and regulations promulgated from time to time by the Railroad Company, but such rules and regulations shall be reasonable.

Neither party hereto shall use any portion of the Joint Section for the storage of cars thereon or for any purpose other than for delivering cars and equipment to and for receiving cars and equipment from the other party.

Neither party shall interfere with, obstruct or in any manner endanger the safe operation by the other party of such other party's tracks with which the Joint Section connects, and no cars, engines or other equipment shall be placed upon the Joint Section in such a position as to be dangerously close to or in such a manner as to interfere in any way with the operation of the tracks of either party with which the Joint Section connects

Section 9. DEMURRAGE.

All cars and equipment delivered to the United States on the Joint Section shall be deemed to be in the possession of the United States from the time such delivery is effected until the United States shall effect redelivery thereof to the Railroad Company in the manner specified in Section 7 hereof.

The United States shall pay the Railroad Company demurrage accruing on all cars and equipment owned by the Railroad Company and on all cars and equipment owned by others for which the Railroad Company is responsible, while such cars and equipment are in the possession of the United States. All settlements for such demurrage shall be made under the terms and provisions of the National Car Demurrage Rules and Charges, B. T. Jones Freight Tariff 4-J, I. C. C. 2192, and supplements thereto, amendments thereof or substitutes therefor, including the provisions thereof with respect to average agreements.

Section 10. DAMAGE TO CARS AND EQUIPMENT WHILE IN POSSESSION OF UNITED STATES.

Except as herein otherwise provided, the United States shall be solely responsible for all loss of or damage to the cars and equipment owned by the Railroad Company and cars and equipment owned by others for which the Railroad Company is responsible, while such cars and equipment are in the possession of the United States, ordinary wear and tear alone excepted.

Section 11. COMPLIANCE WITH LAWS AND OTHER PUBLIC REGULATIONS.

The parties hereto, with respect to the use of the Joint Section and the operation of equipment and appliances thereon and thereover, shall comply with all applicable laws, and all applicable rules, regulations and orders promulgated by any Board, Commission or other public body having jurisdiction, for the protection of persons, or otherwise.

Section 12. RAILROAD COMPANY TO USE REASONABLE CARE.

The Railroad Company shall be bound to use only reasonable and customary care, skill and diligence in the maintenance, repair and renewal of the Joint Section, and the United States shall not, by reason of any defect therein or by reason of the failure or neglect of the Railroad Company to repair any such defect, have or make against the Railroad Company any claim or demand for any loss, damage or injury whatsoever resulting from such defect, failure or neglect, but in the event the Railroad Company shall fail to repair any such defect within a reasonable time after the United States shall have given to it notice in writing specifying the defect, then the United States shall have the right to make the necessary repairs at once, and the Railroad Company shall pay to the United States one-half the entire expense incurred by the United States in connection therewith.

Section 13. OPERATION BY CONTRACTOR FOR UNITED STATES.

It is understood that the United States will let a contract for the operation of the United States' Section, and in that event it is agreed that the contractor to whom such contract is let shall have the right to use the Joint Section for and on behalf of the United States, subject, however, to all of the terms and conditions hereof applicable to use by the United States, except that liability as between the Railroad Company and the contractor shall be fixed as provided in Section 14 hereof. Before entering into the use of the Joint Section such contractor shall agree in writing with the United States and within the Railroad Company to observe the terms and conditions of this agreement as they are under this Section 13 made applicable to such contractor.

Section 14. ~~LIABILITY~~.

In the event the United States shall at any time during the term hereof itself operate the ~~United States' Section~~, then it is agreed that, except in cases where liability results solely from the negligence of the Railroad Company, the Railroad Company does not and shall not assume any liability for injury to or death of persons whomsoever or loss of or damage to property whatsoever, when such injury, death, loss or damage is caused by, results from, or arises during and in consequence of the use by the United States ~~of the Joint Section; and the United States agrees to use the Joint Section with all reasonable diligence and precaution to avoid injuries to or death of persons or loss of or damage to property (including the Joint Section)~~.

As between the Railroad Company and the contractor employed by the United States to operate the United States' Section the following provisions of this Section ~~14~~ 16 shall govern as to the fixing of liability therein defined:

~~Hereinafter in this section the Railroad Company and the Contractor are referred to individually as "User" and collectively as "Users".~~

Except as herein otherwise provided, liability for injury to or death of persons whomsoever and for loss of or damage to property whatsoever in connection with the use, operation, maintenance, repair and renewal of the Joint Section shall be fixed as between the Users as follows (it being understood and agreed that the employees of the Railroad Company while engaged in maintaining, repairing and renewing the Joint Section shall be regarded as the joint employees of the Users):

When due to

(a) the acts or omissions of either User or of its officers, agents or employees; or to

(b) the concurring acts or omissions of a joint employee or joint employees and of either User or of its officers, agents or employees; or to

(c) defects of any kind in the separate equipment or facilities of either User (except the Joint Section),

liability shall be borne solely by such User;

When due to

(d) any other cause whatsoever,

liability shall be borne

(1) solely by each User as to its own property (other than the Joint Section) or property in its custody or control and as to its own em-

ployees, passengers, and patrons and all others on its engines, trains or cars or on or about the Joint Section in the transaction of business with it; and

(2) jointly and equally by both Users as to third persons and their property, joint employees and their property and the Joint Section, except that in cases of accidents in which the engines, trains, cars or sole employees of only one User are concerned, then the liability for the resulting injury, death, loss or damage shall, as to such persons and property, be borne solely by the User whose engines, trains, cars or sole employees are concerned.

If it shall be impossible to determine whether any person is an exclusive passenger, patron or employee of either User then the liability for injury to or death of such person or loss of or damage to the property of such person shall, except as herein otherwise provided, be apportioned as in the case of third persons.

Anything herein to the contrary notwithstanding, neither User shall have any claim against the other User for loss or damage caused by or resulting from any interruption of or delay to its business whether such loss or damage be due to the negligence of the other User or otherwise.

Each User against which a claim is made involving joint liability shall give prompt notice thereof to the other User and unless so notified prior to the settlement thereof, such User shall not be bound for a proportionate share of any settlement of such claim or the expense incident thereto, but such User's share shall be borne by the User so failing to give the required notice.

If a claim is made against a User which under this agreement is not chargeable in whole or in part with the liability involved in such claim, such User shall promptly notify in writing the responsible User.

All releases taken pursuant to the settlement of any and all claims involving joint liability shall include both Users and copies thereof shall be furnished each of them.

If a judgment should be recovered against and satisfied by one User involving a liability which should under this agreement be borne entirely or participated in by the other User, then all expenses of whatsoever nature, including costs and fees, connected with such judgment and with the prosecution of the suit upon which it was based, shall be settled between the Users in strict accordance with the provisions of this agreement and the User against which such judgment shall have been recovered shall be promptly reimbursed by such other User to the extent to which the latter is indebted.

Neither User shall, however, be concluded by any judgment or decree at law or in equity against the other User unless it has had reasonable notice from such other User requiring it to appear in the action or suit and make defense thereto for its own account or jointly with the other User. If such notice shall have been given by one User to the other User and the User receiving the same shall have failed to appear and make defense, it shall be concluded by the judgment or decree in such suit.

Each user shall fully indemnify and save harmless the other User, its successors and assigns, from and against all claims, liability, judgments, costs and expenses of whatsoever nature resulting from or by reason of any injury to or death of persons or loss of or damage to property properly chargeable to such User under the provisions of this agreement.

Section 15. FREIGHT RATES.

There is attached hereto, marked "Exhibit B" and made a part hereof, a letter dated July 16, 1930, from F. W. Robinson, Vice President, Union Pacific System, to R. F. Walter, Chief Engineer, Bureau of Reclamation, Denver, Colorado, setting up rates for transportation of certain materials and commodities belonging to the United States and to be transported via the Railroad Section in connection with the construction of said dam, reservoir, power plant and appurtenant works; and it is agreed that said rates shall not be increased during the term of this agreement. It is recognized that the materials and commodities listed in Exhibit B may not comprise an exhaustive list of the materials and commodities belonging to the United States which will be transported via the Railroad Section in connection with the work aforesaid. If and when the necessity arises for the fixing of rates on additional materials and commodities, or if any rate listed in Exhibit B should in the opinion of the United States during the term hereof become inequitable because of changed conditions, then in either of such events the matter shall be taken up in conference between duly authorized representatives of the parties hereto in an effort to reach an agreement respecting the same.

Section 16. EFFECTIVE DATE - TERM.

This agreement shall take effect as of the date first herein written and shall continue in full force and effect until the completion of that portion of the work in connection with the construction of said dam, reservoir, power plant and appurtenant works which requires railroad transportation facilities.

Section 17. REMOVAL OF RAILROAD COMPANY'S SECTION.

Upon the completion of that portion of the work in connection with the construction of said dam, reservoir, power plant and appurtenant works which requires railroad transportation facilities, or upon the termination of this agreement howsoever, the Railroad Company shall, subject to the approval of the Interstate Commerce Commission, have the right, if it so elects, without condition or restriction, to discontinue the operation of the Railroad Company's Section and the Joint Section and to take up and abandon the same; PROVIDED, however, that if the Railroad Company exercises its election to discontinue such operation and the United States shall desire to acquire all or any portion of the Railroad Company's Section and/or the Joint Section in place, then and in such event the Railroad Company will sell the whole or the desired portion or portions thereof at the then net salvage value of the material in the same, meaning by "net salvage value" the value of such material if taken up less the estimated cost to the Railroad Company of recovering it if same were to be taken up by the Railroad Company. If the parties hereto can not agree upon such net salvage value, then the determination thereof shall be left to a board of appraisers to consist in the first instance of two qualified appraisers, one to be selected by each party hereto, and if the two so selected can not agree upon such net salvage value, then they shall select a third qualified appraiser. The finding of the two appraisers, if only two be chosen, or of a majority of the board, if three be chosen, shall be binding on the parties hereto.

Section 18. CONVICT LABOR.

In the performance of this contract, no persons shall be employed who are undergoing sentences of imprisonment at hard labor which have been imposed by the courts of the several states or territories or municipalities having criminal jurisdiction.

Section 19. SOLICITATION OF CONTRACT.

The Railroad Company warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the United States right to annul the contract, or in its discretion to deduct from the contract price or consideration the amount of such commission, percentage, brokerage or contingent fee. This warranty shall not apply to commissions payable to contractors upon contracts secured or made through bona fide established commercial or selling agencies maintained by the Railroad Company for the purpose of securing business with other than the United States.

Section 20. PERSONS RESTRICTED FROM SHARING IN CONTRACT.

No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate as of the date first herein written.

UNITED STATES OF AMERICA,

Witness:

By (Sgd) Jos. M. Dixon,
First Assistant Secretary
of the Interior.

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LOS ANGELES & SALT LAKE RAILROAD COMPANY,

Witness:

By (Sgd) C. R. Gray,
President.

(Sgd) H. B. Blanchard.

(SEAL)

Attest:

(Sgd) Thomas Price,
Secretary, LA&SL.

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EXHIBIT B

UNION PACIFIC SYSTEM
Union Pacific Railroad Company
Oregon Short Line Railroad Company
Oregon-Washington Railroad & Navigation Company
Los Angeles & Salt Lake Railroad Company
The St. Joseph and Grand Island Railway Company

Department of Traffic

F. W. Robinson,
Vice-President.

1416 Dodge St.,
Omaha, Nebraska,
July 16th, 1930.
File A-5100-3611-60.

Mr. R. F. Walter, Chief Engineer,
U. S. Department of the Interior,
Bureau of Reclamation,
1441 Welton St., Denver, Colo.

Dear Mr. Walter:

Referring to my discussion with you and with Dr. Mead at Denver on the 12th instant, regarding rates on commodities to be moved into "Summit" station, for account of the Boulder Canyon Dam on Colorado River.

I have to confirm the following quotations made to you:

| Commodity | Point of Origin | Proposed Rate |
|---|---|---|
| Sand and gravel | Hoya Pit | $1.05 per ton |
| Cement | Southern California plants | .25 per 100 lbs. |
| " | Utah plants | .35 " |
| Cement Clinker | Southern California plants | .20 " |
| " | Utah plants | .30 " |
| Iron bars | Los Angeles | .41 " |
| " | Utah points | .50 " |
| Structural iron | Los Angeles | .41 " |
| " | Eastern points | Las Vegas rate |
| Electrical machinery | Schenectady | Las Vegas rate |
| Pipe, cast-iron | Los Angeles | .31 per 100 lbs. |
| " | Ironton, Utah | .31 " |
| Pipe, wrought-iron | Los Angeles | .60 " |
| " | Eastern points | Las Vegas rate |
| Lumber | Los Angeles Harbor | .37 per 100 lbs. |
| " | Boise, Idaho | .52 " |
| " | Spokane and Eastern Oregon points | .60 " |
| " | Portland, Oregon | .62 " |
| Coal | Wyoming, Rock Springs district | 6.00 per ton |
| " | Utah mines | 5.50 per ton |
| Gasoline | Los Angeles | .67 per 100 lbs. |
| " | Utah | .74 " |
| Fuel oil | Los Angeles | .28 " |
| High explosives | Bacchus, Utah | 1.73 " |
| " | Giant, California | 1.96 " |
| " | Curtiss, Arizona | 2.83 " |
| " | Louviers, Colorado | 3.06 " |

Other general commodities not specifically listed above and traffic moving under classification and class rates will be subject to the following arbitraries over the rates in effect to Las Vegas:

| | 1st | 2nd | 3rd | 4th | 5th | A | B | C | D | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Cents | 6 | 5 | 4 | 3 | 3 | 3 | 2 | 2 | 1 | 1 |

The above-quoted rates on sand and gravel are, of course, indeterminate because of the fact that it has not been concluded where the gravel will be obtained. I have since telegraphed you through our Agent at Saratoga, Wyoming, inquiring if crushed lime rock would be of any interest to you from points in the vicinity of Jean, Arden or Sloan, Nevada, stating that on this commodity I would quote not in excess of 70 cents per ton, possibly lower, if quantity were available and quality was such as to answer your purpose. Further, if there is any possibility of the use of sand or gravel from the Hoya pit, or in that vicinity, I would be very glad to have an opportunity of discussing the question of this rate further with you.

While I have quoted rates on cement and cement clinker, of course, a firm quotation can not be made except from plants served directly by our rails. I have no doubt that other lines would be willing to join with us in such rates, but desire to point out that concurrence of other lines serving cement mills must be obtained before publication can be effected.

In quoting rates from eastern points, for illustration on structural iron and electrical machinery, I have stated to you that we would quote the Las Vegas rate without additional charge or arbitrary for the service over the branch line to Summit. I desire to point out further that on this business moving from eastern points via the Union Pacific from Missouri River crossings, we will equalize any possible land-grant rates in effect via any routes to Las Vegas on materials consigned to and for the use of the Government. The rate, for illustration, on electrical machinery from Schenectady to Las Vegas is $1.94. Application of the land-grant rates would result in a net cash rate of $1.7821 per 100 lbs. through from Schenectady to Summit.

While it is understood, of course, that it will be some time before many of these commodities are required, we will proceed with publication of the rates in question just as quickly as the line of railroad is completed into Summit, or when it is ready for use.

I desire to point out further that the rates on explosives, which I did not have before me during our discussion, are not the current rates but are substantially lower, and are subject to a carload minimum weight of 28,000 pounds. On the other commodities the regularly established tariff carload minimum will apply, although it is anticipated that practically all of the commodities moving, particularly the heavier loading commodities, will be loaded to the full capacity of the car.

I will be glad to have you take up with me at any time any question of rates or other matters in which you may be interested, and you may be sure that we will deal with such matters in a liberal and friendly way.

Very truly yours,

(Sgd) F. W. Robinson.

CERTIFICATE AS TO EXECUTION BY THE
SIX COMPANIES, INC.

I, Charles A. Shea, certify that I am the Secretary of the corporation named as contractor herein; that W. H. Wattis, who signed this contract on behalf of the contractor, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Charles A. Shea ( Cor- ) (porate) ( Seal )

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CERTIFICATE AS TO EXECUTION BY THE
LOS ANGELES & SALT LAKE RAILROAD COMPANY

I, C. B. Matthai, certify that I am the Assistant Secretary of the corporation named as Railroad Company herein; that C. R. Gray, who signed this contract on behalf of said Railroad Company, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

C. B. Matthai ( Cor- ) (porate) ( Seal )

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UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Boulder Canyon Project, Arizona-California-Nevada
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# A S S E N T  B Y  S U R E T I E S

KNOW ALL MEN BY THESE PRESENTS, That we, the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Maryland corporation; the NATIONAL SURETY COMPANY, a New York corporation; the UNITED STATES FIDELITY AND GUARANTY COMPANY, a Maryland corporation; the AMERICAN SURETY COMPANY OF NEW YORK, a New York corporation; the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut corporation; the MARYLAND CASUALTY COMPANY, a Maryland corporation; the ROYAL INDEMNITY COMPANY, a New York corporation; the MASSACHUSETTS BONDING AND INSURANCE COMPANY, a Massachusetts corporation; the NEW AMSTERDAM CASUALTY COMPANY, a New York corporation; the AMERICAN EMPLOYERS' INSURANCE COMPANY, a Massachusetts corporation; THE FIDELITY AND CASUALTY COMPANY OF NEW YORK, a New York corporation; THE HOME INDEMNITY COMPANY, and SOUTHERN SURETY COMPANY OF NEW YORK, New York corporations; the UNITED STATES CASUALTY COMPANY, a New York corporation; the FIREMAN'S FUND INDEMNITY COMPANY, a California corporation; the GREAT AMERICAN INDEMNITY COMPANY, a New York corporation; THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK, a New York corporation; the COMMERCIAL CASUALTY INSURANCE COMPANY, a New Jersey corporation; THE AETNA CASUALTY AND SURETY COMPANY, a Connecticut corporation; the GLENS FALLS INDEMNITY COMPANY, a New York corporation; the INDEMNITY INSURANCE COMPANY OF NORTH AMERICA, a Pennsylvania corporation; and the LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA, a New York corporation, as sureties on the performance bond dated the 24th day of March, 1931, given to THE UNITED STATES OF AMERICA by the SIX COMPANIES, INC., a corporation organized and existing under the laws of

the State of Delaware, as principal, under that certain contract dated the 11th day of March, 1931, for construction of Hoover Dam, Power Plant, and Appurtenant Works, Boulder Canyon Project, Arizona-California-Nevada, do hereby assent to that certain agreement entered into the 11th day of March, 1931, between the said SIX COMPANIES, INC., THE UNITED STATES OF AMERICA, and the LOS ANGELES & SALT LAKE RAILROAD COMPANY, pertaining to the use, by the said SIX COMPANIES, INC., as contractor, of the Joint Section of that certain railroad from a point on the main line of the railroad company 7.17 miles southwesterly from Las Vegas, Nevada, to the site of the Hoover Dam on the Colorado River at Black Canyon, as more particularly set out in said agreement.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this 24th day of March, 1931, the name and corporate seal of each party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

(SEAL) Attest:

_____
Title _____

FIDELITY AND DEPOSIT COMPANY OF MARYLAND,
By Guy Leroy Stevick,
Vice Pres. and Attorney-in-fact.
Leland W. Cutler, Vice-Pres. & Agent.

(SEAL) Attest:

_____
Title _____

NATIONAL SURETY COMPANY,
By Wm. B. Joyce, Chairman,
R. W. Stewart, Vice Pres. and
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

UNITED STATES FIDELITY AND GUARANTY COMPANY
By Ernest W. Copeland,
Attorney-in-fact.

(SEAL) Attest:
E. C. Miller,
Resident Asst. Secy.

AMERICAN SURETY COMPANY OF NEW YORK,
By R. D. Weldon,
Resident Vice President.

(SEAL) Attest:

A. C. Posey,
Title Atty-in-fact.

HARTFORD ACCIDENT AND INDEMNITY COMPANY,

By James W. Moyles,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

MARYLAND CASUALTY COMPANY,

By S. L. Webster,
Attorney-in-fact.

(SEAL) Attest:

Walter Rankin,
Res. Asst. Secy.

ROYAL INDEMNITY COMPANY,

By A. Douglas Mennie,
Resident Vice-President.

(SEAL) Attest;

_____
Title _____

MASSACHUSETTS BONDING AND INSURANCE COMPANY,

By J. R. McKenney,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

NEW AMSTERDAM CASUALTY COMPANY,

By Walter W. Derr,
Agent & Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

AMERICAN EMPLOYERS' INSURANCE COMPANY,

By John Stone Perry,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

THE FIDELITY AND CASUALTY COMPANY OF NEW YORK,

By Frank M. Paul,
Attorney.

(SEAL) Attest:

_____
Title _____

THE HOME INDEMNITY COMPANY,

By Wesley King,
Attorney-in-fact.

(SEAL) ATTEST:

_____
Title _____

SOUTHERN SURETY COMPANY OF NEW YORK,

By Wesley King,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

UNITED STATES CASUALTY COMPANY,

By Ernest W. Swingley,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

FIREMAN'S FUND INDEMNITY COMPANY,

By F. J. Butcher,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

GREAT AMERICAN INDEMNITY COMPANY,

By Alfred W. Hillback,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK,
By F. E. Brisbine,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

COMMERCIAL CASUALTY INSURANCE COMPANY,

By M. A. Bailey,
Attorney-in-fact.

(SEAL) Attest:

R. J. O'Meara,
Title Res. Asst. Secy.

THE AETNA CASUALTY AND SURETY COMPANY,

By J. A. Swearingen,
Resident Vice President.

(SEAL) Attest:

_____
Title _____

GLENS FALLS INDEMNITY COMPANY,

By C. H. Desky,
Attorney.

(SEAL) Attest:

Harry C. Miller,
Attorney-in-fact.

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA,
By R. W. Forsyth,
Attorney-in-fact.

(SEAL) Attest:

_____
Title _____

LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA,
By B. B. Rose,
Attorney-in-fact.

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