



Northern Pacific Railway Company.  
Engineering Department Records.

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N. P. 1757  
6-24

OFFICE OF ASSISTANT CHIEF ENGINEER.

FILE NO.

922-1

SUBJECT:

Re Treating Plan  
Seattle

Contract McClellan Co.  
Later West Coast Wood Preserving Co.

To December 31, 1935



# Contract West Coast Wood Preserving Co.

Contract Nov 4, 1926

Cross ties, & equivalent 3,000,000

11111

Treated to Dec 15

2,956,259

Balance

43,741

Probably completed by Dec 31, 1936

(84581 already treated + 43,741 = 128,322)

1937 Program

Cross ties

342,498

Rail ties 627972 FBM - equivalent 15,000

357,498

To Complete Old Contract 3,000,000 128,322

Balance

229,176

Phone by A. Loom 11/17/31

MR. STEVENS:

6595  
Regarding Mr. Blum's letter about status of  
contract with the WEST COAST WOOD PRESERVING CO.:

I note that under the provisions of the contract the Railway is to deliver in the aggregate an equivalent of 300,000 ties per annum and that it agrees to furnish not less than 250,000 or more than 350,000 ties per annum without the written consent of the Creosoting Co.

I presume Mr. Blum did not overlook that feature of the contract.

- E L L

9/27/34

*Callahan M. Fournier  
attention Oct 1934*

Contract of Northern Pacific Railway with the West Coast Wood Preserving Company, Seattle, dated November 4, 1926, for treatment of 3,000,000 cross ties or equivalent during ten year period following date of contract.

To be treated

3,000,000 ties

Gross ties and equivalents treated to date:

<u>Year</u>	<u>Gross ties</u>	<u>Gross tie equivalents Other material.</u>	<u>Total</u>
1927	176,045	57,180	233,225
1928	469,231	56,354	524,585
1929	405,893	42,781	448,674
1930	252,784	15,177	267,961
1931	223,030	40,451	263,481
1932	344,255	27,590	371,845
1933	102,963	22,007	125,060
1934 **	245,115	19,010	264,925
Total	2,129,316	281,430	2,409,746

Note\*\* 1934 figures up to Sept. 1, 1934.

Total treated on contract to Sept. 1, 1934

2,409,746 ties

Balance to be treated as of September 1, 1934

590,254 "

*Treated during 1935*

97521

492733

Off Gen. Supt. For. Preserv'n  
Brainerd Sept 22, 1934.

*1936 Assignment* 264,801

227,932

M A Loom

June 7<sup>th</sup> 33

Herewith 4 additional  
blee print copies of supplement 724-33  
& Contract with West Coast Wood Preserving  
Company at Seattle

SL



AGREEMENT made this 24th day of Feb., A.D. 1933 between the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation hereinafter called the "Railway Company" and the WEST COAST WOOD PRESERVING COMPANY, a Corporation, hereinafter called the "Creosoting Company".

Whereas, an Agreement dated the 4th day of November A.D. 1926 was entered into between the Railway Company and the J.M. Colman Company, a Washington Corporation, covering the treating of ties and other material, which said agreement was duly assigned to the Creosoting Company by assignment dated the 31st day of January A.D. 1930, which said assignment the Railway Company approved and consented to the 3rd day of March A.D. 1930, and

Whereas the said agreement so assigned was changed and modified at different times by letter agreements between the parties and

Whereas the parties hereto mutually desire to cover by a formal agreement such of the said changes and modifications as are to continue in force and to make other changes and modifications of the said agreement

Therefore in consideration of the premises and of the sum of one dollar paid by the Railway Company to the Creosoting Company, the receipt whereof is hereby acknowledged, the parties hereto agree as follows -

Sections XVII and XVIII of the said agreement and all changes and modifications thereto subsequently made are hereby cancelled and in lieu thereof the parties agree as follows:-

XVII. The Railway Company agrees to pay to the Creosoting Company for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require a time duration not longer than twelve actual treating hours per thousand feet board measure . . . . . \$ 6.50
- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour or fraction thereof . . . . . \$ 5.10
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve actual treating hours, per thousand feet board measure . . . . . \$ 8.00
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour or fraction thereof . . . . . \$ 5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand ft. board measure \$13.05

- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve actual treating hours, per thousand feet board measure . . . . . \$10.45
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by paragraph C-2 per cylinder per hour or fraction thereof. \$ 5.10
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge either separately or combined with commercial material - per cubic foot . . . . . \$ 0.14
- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour or fraction thereof . . . . . \$ 5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet The Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and re-treat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie re-treated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material re-treated.



(c) Two cents (2¢) per cubic foot for piling, poles and other similar material re-treated. It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.

- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie . . . . . 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure . . . . . 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure . . . . . 50¢
- E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2, and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in Paragraphs A-B-C and D apply to treatment to both air seasoned and artificially seasoned material.

The "Actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, Paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the treated material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this agreement.

This revision of the agreement of the 4th day of November A.D. 1926 shall be effective as of December 1st, 1932.

In all other respects the said agreement of the 4th day of November A.D. 1926 shall be and remain in full force and effect.

In Witness whereof the parties hereto have executed these presents by their duly authorized Officials.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

NORTHERN PACIFIC RAILWAY COMPANY

BY

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

WEST COAST WOOD PRESERVING COMPANY

BY

\_\_\_\_\_




Saint Paul, February 27, 1933w

Mr. A. J. Loom:

Attaching herewith for your files copy of  
supplemental contract dated February 24, 1933 to the contract  
of November 4, 1926, between the West Coast Wood Preserving  
Company and the Northern Pacific Railway.

TRG

Assistant Chief Engineer



February 25, 1935

Mr. H. E. Horrocks, Manager,  
West Coast Wood Preserving Co.,  
1118 Fourth Ave at Seneca St.,  
Seattle, Washington

Dear Sir:

I am transmitting herewith your executed copy  
of supplemental agreement dated February 24, 1935 to  
the contract of November 4, 1926, between our companies,  
covering the treating of ties and other material. I  
thank you for the consideration you have given us in  
this matter.

Yours truly,

BERNARD BLUM

cc Mr. L. Yager

AGREEMENT made this                      day of                      A.D. 1933  
between the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation hereinafter called the "Railway Company" and the WEST COAST WOOD PRESERVING COMPANY, a                      Corporation, hereinafter called the "Creosoting Company".

Whereas, an Agreement dated the 4th day of November A.D. 1926 was entered into between the Railway Company and the J.M. Colman Company, a Washington Corporation, covering the treating of ties and other material, which said agreement was duly assigned to the Creosoting Company by assignment dated the 31st day of January A.D. 1930, which said assignment the Railway Company approved and consented to the 3rd day of March A.D. 1930, and

Whereas the said agreement so assigned was changed and modified at different times by letter agreements between the parties and

Whereas the parties hereto mutually desire to cover by a formal agreement such of the said changes and modifications as are to continue in force and to make other changes and modifications of the said agreement

Therefore in consideration of the premises and of the sum of one dollar paid by the Railway Company to the Creosoting Company, the receipt whereof is hereby acknowledged, the parties hereto agree as follows -

Sections XVII and XVIII of the said agreement and all changes and modifications thereto subsequently made are hereby cancelled and in lieu thereof the parties agree as follows:-

XVII. The Railway Company agrees to pay to the Creosoting Company for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require a time duration not longer than twelve actual treating hours per thousand feet board measure . . . . . \$ 6.50
- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour or fraction thereof . . . . . \$ 5.10
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve actual treating hours, per thousand feet board measure . . . . . \$ 8.00
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour or fraction thereof . . . . . \$ 5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand ft. board measure \$13.05



- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve actual treating hours, per thousand feet board measure . . . . . \$10.45
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by paragraph C-2 per cylinder per hour or fraction thereof. \$ 5.10
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge either separately or combined with commercial material - per cubic foot . . . . . \$ 0.14
- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour or fraction thereof . . . . . \$ 5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet The Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and re-treat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie re-treated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material re-treated.



(c) Two cents (2¢) per cubic foot for piling, poles and other similar material re-treated. It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.

- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie . . . . . 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure . . . . . 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure . . . . . 50¢
- E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2, and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in Paragraphs A-B-C and D apply to treatment to both air seasoned and artificially seasoned material.

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Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, Paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the treated material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this agreement.

This revision of the agreement of the 4th day of November A.D. 1926 shall be effective as of December 1st, 1932.

In all other respects the said agreement of the 4th day of November A.D. 1926 shall be and remain in full force and effect.

In Witness whereof the parties hereto have executed these presents by their duly authorized officials.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

NORTHERN PACIFIC RAILWAY COMPANY

BY \_\_\_\_\_

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

WEST COAST WOOD PRESERVING COMPANY

BY \_\_\_\_\_



At Spokane, Wash.,

February 3, 1933w

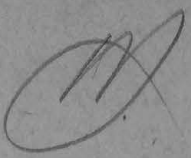
MR. BERNARD BLUM:

Referring to your letter of January 26 attaching two copies of supplementary agreement in regular form for modification of contract with the West Coast Wood Preserving Company, which has now been executed by Mr. L. J. Colman, president of the company. This was the form desired by Mr. Horrocks.

Mr. Horrocks was not agreeable to including the prices for loading out untreated ties in the supplementary agreement, by reason of its being limited to this year's operations. He likewise desired to have letter agreement covering framing cancelled because it included matters covered by the supplementary agreement. I can see no particular objection to having his viewpoint prevail.

L. YAGER.

cy Mr. A. J. Loom

  
Seattle, Wash. Feb. 1, 1933

Mr. Louis Yager  
Asst. Chief Engineer  
On Line

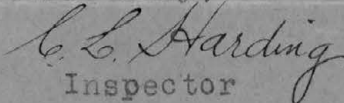
Dear Sir:

Regarding the Contract covering the treatment  
of Forest Products with the West Coast Wood Preserving Co.,  
which you asked me to give to Mr. Horrocks for signing.

Mr. Horrocks informed me today that Mr. Colman  
now has this contract and that he would return it to me  
for forwarding to you as soon as Mr. Colman has had a chance  
to look it over.

This should be within the next day or so.

Yours truly,

  
Inspector

At Seattle, Wash.,

January 29, 1935w

Mr. H. E. Horrocks, Manager  
West Coast Wood Preserving Company  
1118 4th Avenue at Seneca  
Seattle, Washington

Dear Mr. Horrocks:

I am handing you herewith the original and duplicate of the supplementary contract draft to cover the understanding arrived at during our meeting in your office January twelfth. If you find that this supplementary agreement is a correct expression of our understanding, will you kindly have the same executed by your officers and return to me promptly as possible.

If convenient to you I would like to have this returned to me On Line. I expect to be in Spokane for most of next week. You can learn my whereabouts from Mr. Stotler's office.

Yours very truly,

L. YAGER.

St Paul, January 26, 1933


RECEIVED  
JAN 26 33  
NORPAC PLY CO.  
ST. PAUL, MINN.

Mr. L. Yager:

Your letter of the 12th in regard to agreement with the West Coast Wood Preserving Company covering revision of prices under the treating contract:

I was not quite clear as to your recommendations for the mechanics of handling this, but have had prepared supplementary agreement in regular form which is attached. If this is satisfactory I would suggest having it executed by the Contractor and we will then submit for approval of our Management.

I see no reason why we could not have had all the items included instead of having a supplementary letter agreement made at the same time the contract itself is revised, but if it was Mr. Horrocks' expressed wish to cover the loading out of untreated ties and framing separate from the contract, I presume we will have to agree.

 Demand Olsen

cc Mr. A. J. Loom



AGREEMENT made this                      day of                      A.D. 1933  
between the NORTHERN PACIFIC RAILWAY COMPANY, a Wisconsin corporation hereinafter called the "Railway Company" and the WEST COAST WOOD PRESERVING COMPANY, a                      Corporation, hereinafter called the "Creosoting Company".

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- B-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure . . . . . 60¢
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In Witness whereof the parties hereto have executed these presents by their duly authorized officials.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

NORTHERN PACIFIC RAILWAY COMPANY

BY \_\_\_\_\_

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

WEST COAST WOOD PRESERVING COMPANY

BY \_\_\_\_\_



At Seattle, Wash.,

January 12, 1933w

MR. BERNARD BLUM:

We had our meeting with Mr. Horrocks today for a thoroughgoing discussion of the revision of the treating contract which we have had under consideration for some time. We came to the conclusion that it would be proper to accept Mr. Horrocks' views with respect to schedule of prices for treating lumber covered by Paragraph C-1, C-2 and C-3. There is nothing particular to add at this time to the comments on this general subject contained in my letter of November twenty-sixth.

I am attaching hereto original and duplicate of revised memorandum containing the revised schedule of prices. In our last conversation on this subject we thought that this might well be handled in the form of a letter agreement, but the Secretary of the Treating Company seemed to think that inasmuch as the basic prices of the contract itself were changed, the revision should take the form of supplementary contract rather than a letter agreements which are to cover operations in addition to the original contract. With this in view you may desire to have this form changed.

It is the intention to cancel all existing letter agreements. There are, however, two outstanding matters, such as framing of bridge timber in accordance with our present standard, and the agreed prices for shipping out untreated ties from seasoning stock. Both of these are of a temporary character and for that reason the Creosoting Company preferred to have them covered by letter agreement rather than included in the revision of the contract. Mr. Horrocks is preparing these letters for approval signatures.

Assistant Chief Engineer.

MEMORANDUM OF SUPPLEMENTARY AGREEMENT

Outline of changes in Contract with the J. M. Colman Company  
Dated November 4, 1926 and subsequent letter agreements.

(1) Cancel all of Sections XVII and XVIII and subsequent letter agreements.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Company for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require a time duration not longer than twelve actual treating hours per thousand feet board measure . \$6.50
- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour or fraction thereof . \$5.10
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve actual treating hours, per thousand feet board measure \$8.00
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour or fraction thereof \$5.10
- C-1. For the treatment of all sawed material other than Cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand feet board measure \$13.05
- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve actual treating hours, per thousand feet board measure \$10.45
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by Paragraph C-2 per cylinder per hour or fraction thereof \$5.10
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge either separately or combined with commercial material - per cubic foot \$0.14



- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour or fraction thereof \$5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet The Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and re-treat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each re-treatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie re-treated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material re-treated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material re-treated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs Cpl-2, necessary to accomplish it, per thousand feet board measure 50¢

E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2, and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the treated material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

This revision of the Contract shall become effective as of December 1st, 1932.

Approved for West Coast Wood Preserving Company.

Approved for Northern Pacific Railway Company.

Dated Seattle, Washington,  
January 12th, 1933w.



MEMORANDUM OF SUPPLEMENTARY AGREEMENT

Outline of changes in Contract with the J. M. Colman Company  
Dated November 4, 1926 and subsequent letter agreements.

(1) Cancel all of Sections XVII and XVIII and subsequent letter agreements.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Company for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require a time duration not longer than twelve actual treating hours per thousand feet board measure . \$6.50
- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour or fraction thereof . \$5.10
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve actual treating hours, per thousand feet board measure \$8.00
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour or fraction thereof \$5.10
- C-1. For the treatment of all sawed material other than Cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand feet board measure \$13.05
- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve actual treating hours, per thousand feet board measure \$10.45
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by Paragraph C-2 per cylinder per hour or fraction thereof \$5.10
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge either separately or combined with commercial material - per cubic foot \$0.14



- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour or fraction thereof \$5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet The Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and re-treat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each re-treatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie re-treated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material re-treated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material re-treated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs Cpl-2, necessary to accomplish it, per thousand feet board measure 50¢

E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2, and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the treated material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

This revision of the Contract shall become effective as of December 1st, 1932.

Approved for West Coast Wood Preserving Company.

Approved for Northern Pacific Railway Company.

Dated Seattle, Washington,  
January 12th, 1933w.



MEMORANDUM OF SUPPLEMENTARY AGREEMENT

Outline of changes in Contract with the J. M. Colman Company  
Dated November 4, 1926 and subsequent letter agreements.

(1) Cancel all of Sections XVII and XVIII and subsequent letter agreements.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Company for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require a time duration not longer than twelve actual treating hours per thousand feet board measure . \$6.50
- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour or fraction thereof . \$5.10
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve actual treating hours, per thousand feet board measure \$8.00
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour or fraction thereof \$5.10
- C-1. For the treatment of all sawed material other than Cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand feet board measure \$13.05
- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve actual treating hours, per thousand feet board measure \$10.45
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by Paragraph C-2 per cylinder per hour or fraction thereof \$5.10
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge either separately or combined with commercial material - per cubic foot \$0.14



- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour or fraction thereof \$5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet. The Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and re-treat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each re-treatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie re-treated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material re-treated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material re-treated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure 50¢

- E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2, and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

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When the treated material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

This revision of the Contract shall become effective as of December 1st, 1932.

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Approved for West Coast Wood Preserving Company.

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Approved for Northern Pacific Railway Company.

Dated Seattle, Washington,  
January 12th, 1933w.



MEMORANDUM OF SUPPLEMENTARY AGREEMENT

Outline of changes in Contract with the J. M. Colman Company  
Dated November 4, 1926 and subsequent letter agreements.

(1) Cancel all of Sections XVII and XVIII and subsequent letter agreements.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Company for the services rendered in this agreement the following prices:

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- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour or fraction thereof . \$5.10
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve actual treating hours, per thousand feet board measure \$8.00
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour or fraction thereof \$5.10
- C-1. For the treatment of all sawed material other than Cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand feet board measure \$13.05
- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve actual treating hours, per thousand feet board measure \$10.45
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by Paragraph C-2 per cylinder per hour or fraction thereof \$5.10
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge either separately or combined with commercial material - per cubic foot \$0.14



- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour or fraction thereof \$5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet The Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and re-treat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each re-treatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie re-treated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material re-treated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material re-treated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie 1¢
- E-3. For unloading treated switch ties from trains, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs Cpl-2, necessary to accomplish it, per thousand feet board measure 50¢

- E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2, and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

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When the treated material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

This revision of the Contract shall become effective as of December 1st, 1932.

Approved for West Coast Wood Preserving Company.

Approved for Northern Pacific Railway Company.

Dated Seattle, Washington,  
January 12th, 1933w.



*Supplementary*  
M E M O R A N D U M of Agreement

(~~Horrook's proposal except hours pro rata  
instead of fractional hours.~~)

Outline of ~~proposed~~ changes in Contract with the J. M. Colman Company dated November 4th, 1926. *and subsequent letter agreements.*

(1) ~~Cancel all of Sections XVII and XVIII.~~ *and subsequent letter agreements.*

Substitute the following:

XVII. The Railway Co. agrees to pay to the Creosoting Co. for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require a time duration not longer than twelve actual treating hours per thousand feet board measure - \$6.50 ✓
- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour (~~Fractional hours pro rata~~) - *or fraction thereof.* - - - - - \$5.10 ✓
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve actual treating hours, per thousand feet board measure \$8.00 ✓
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour (~~Fractional hours pro rata~~) - *or fraction thereof.* - - - - - \$5.10 ✓
- C-1. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand feet board measure - - - \$13.05 ✓
- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve actual treating hours, per thousand feet board measure \$10.45 ✓
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by Paragraph C-2 per cylinder per hour (~~Fractional hours pro rata~~) - *or fraction thereof.* - - - - - \$5.10 ✓
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Co. being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge either separately or combined with commercial material - per cubic foot - - - - - \$0.14 ✓



- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour (~~Fractional hours pro-rata~~) - *or fraction thereof* \$5.10 ✓
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D.2. ✓
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie retreated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1. ✓
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie - - - - - 1¢ ✓
- E-3. For unloading treated switch ties from trains, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢ ✓
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - - 50¢ ✓  
40¢



E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2 and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

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Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the <sup>treated</sup> finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

*This revision of the Contract shall be made effective as of December 1st 1932*  
St. Paul, Minn.  
November 25, 1932.

*Approved for West Coast Wood Preserving Co*

*Approved for Northern Pacific Railway Co*

*Dated Seattle Washington Jan'y 12th 1933*



M

West Coast Lumber Co.

Individual Charge

Average Lumber Charge 1930-1931

24,900 lbs

Average haulage time

19 hrs 10 min.

$$\begin{array}{r}
 4250 \\
 63336 \\
 \hline
 488336 \\
 .06 \\
 \hline
 4 \overline{) 293.0016} \quad (7325 \\
 \underline{28} \\
 13 \\
 \underline{12} \\
 10 \\
 \underline{8} \\
 2
 \end{array}$$





N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

Butte 1-10-33

W. A. J. Loom  
Paradise

Your wife date  
Will be on Train  
Three Wednesday

L. Yager



N. P. 1386  
12-24  
81 MD N

# TELEGRAM—BE BRIEF

TIME FILED

M.

MISSOULA JAN 7 33

L YAGER

STPAUL

Y & ARRANGING TO BE IN SEATTLE AT YOUR CONVENIENCE WILL SEE YOU AT  
PARADISE

A J LOOM

634PM







N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

StPaul Rsk Jan 7 1933w

A J Loom care Condr Train One

Rocky Mtn Divn

Leaving on Train Three Sunday for Seattle Assume you can meet  
me x to go over contract matter with Mr. Horrocks Y-8

L Yager

ST. PAUL, MINN.  
NOR PAC BY CO.  
DEC 29 32  
OFFICE OF  
ASSISTANT TREASURER

St. Paul, December 29, 1932.

Mr. L. Yager:

Your letter of the 21st in regard to  
modification in prices of treatment of timber under the  
Seattle contract:

I believe it will be all right to modify the  
contract through an exchange of letters, as you outline,  
rather than drawing up new contract.

Bernad Blum

(M)



Saint Paul, December 21, 1932.

Mr. Bernard Blum:

Referring to your letter of the 16th concerning our exchange of wires about the Seattle treating contract:

I am attaching hereto copy of my letter of December 5th to Mr. Horrocks, his reply of the 13th, and copy of my letter to him today.

Would it be satisfactory to modify the contract through an exchange of letters, to which would be attached a memorandum draft of the new articles of agreement?

Asst. Chief Engineer.

LY:h

December 21, 1932.

Dear Mr. Horrocks:

I have your letter of the 13th concerning tentative draft of proposed modification of contract:

I anticipate no difficulty in being able to adjust this matter to our mutual satisfaction. I now expect to be able to reach Seattle shortly after the first of the year. Would you have any objection to delaying the presentation of your bill for the work subsequent to December 1, 1932 until after we can write up a modification of the contract as it at present seems necessary to make reference to that modification in your bill?

Yours very truly,

Mr. H. H. Horrocks, Mgr.,  
West Coast Wood Preserving Co.,  
1118 Fourth Ave at Seneca St.,  
Seattle, Washington

cc Mr. Bernard Blum



At Seattle, Wash.,

December 16, 1932w

MR. L. YAGER:

Your message X-409 of the thirteenth in regard to negotiations you have been having with Mr. Horrocks, of the West Coast Wood Preserving Company.

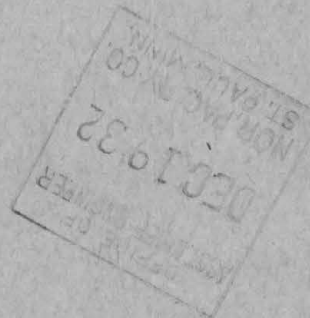
I spoke to Mr. Horrocks today and he stated he had written you in answer to your letter, and that it was agreeable to him to have the billing under the revised understanding start with December first. He stated there were one or two minor matters he wished to discuss with you when you come to the Coast, but apparently there was no major difference of opinion, and the entire subject should be cleared up very quickly.

BERNARD BLUM

BB

At Seattle, Wash.,

December 16, 1932w



MR. L. YAGER:

Your message Y-409 of the thirteenth in regard to negotiations you have been having with Mr. Horrocks, of the West Coast Wood Preserving Company.

I spoke to Mr. Horrocks today and he stated he had written you in answer to your letter, and that it was agreeable to him to have the billing under the revised understanding start with December first. He stated there were one or two minor matters he wished to discuss with you when you come to the Coast, but apparently there was no major difference of opinion, and the entire subject should be cleared up very quickly.

*Donald Blum*

*[Signature]*





N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

2420FP

SEATTLE DEC 14 192

L YAGER

STPAUL

Y-409 HAVE NOT HAD OPPORTUNITY TO SEE HORROCK YET BUT LOOM DISCUSSED MATTER WITH HIM MONDAY AND REPORTED TO ME THAT AGREEABLE TO MAKE REVISION EFFECTIVE DECEMBER FIRST INCLUDING RAILWAY PROPOSITION FOR TIMBER TREATMENT. WILL TRY TO SEE HIM TOMORROW B-143.

BERNARD BLUM

1010P



N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

St Paul December 13 1932

Bernard Blum Car 12 Seattle

Just learned it is necessary for me to be in Saint Paul on SP&S meeting next Monday therefore unable to make trip to Seattle

before the Holidays stop Wrote Horrocks December fifth concerning modification present treating contract suggesting same when mutually

agreed to would be effective as of December first this year stop He has not replied because in my letter I indicated I would call

on him before Christmas stop Possibly you or Mr Loom could ascertain his attitude toward the matter and if agreeable to our point of view

we might consider the matter to remain at rest until I can call on him after January first Y-409

L Yager



L. J. COLMAN  
PRESIDENT

L. C. HENRY  
VICE - PRESIDENT

A. D. BARRALL  
SECRETARY - TREASURER

H. E. HORROCKS  
MANAGER

# WEST COAST WOOD PRESERVING Co.

CREOSOTED DOUGLAS FIR IN ALL FORMS  
RAIL AND CARGO SHIPMENTS

SUCCESSOR TO  
COLMAN CREOSOTING PLANT  
PACIFIC CREOSOTING PLANT

1118 4TH AVE. AT SENECA ST.

SEATTLE, U.S.A.

December 13, 1932

CABLE ADDRESS  
"CREOSOTE"  
ALL CODES

L. Yager, Assistant Chief Engineer  
Northern Pacific Railway Company  
St. Paul, Minnesota

Dear Mr. Yager:

QUOTATIONS SUBJECT TO CHANGE WITHOUT NOTICE. ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ACCIDENTS OR OTHER DELAYS UNAVOIDABLE OR BEYOND OUR CONTROL. MATERIAL SUBJECT TO FINAL ACCEPTANCE AT OUR PLANTS. MAY BE INSPECTED BY MUTUALLY SATISFACTORY PARTIES.

This will acknowledge your letter of December 5 with tentative draft of modification of contract between your company and ours.

When talking to Mr. Loom yesterday, he stated it was doubtful if you would succeed in reaching Seattle this month. In that case I thought best to write you that the tentative draft is satisfactory to us except in two or three minor particulars which I feel sure we can adjust when you do reach Seattle.

I do not believe Mr. Smith's suggestion for C-1 and C-2 will prove as satisfactory for either of us as our own suggestion.

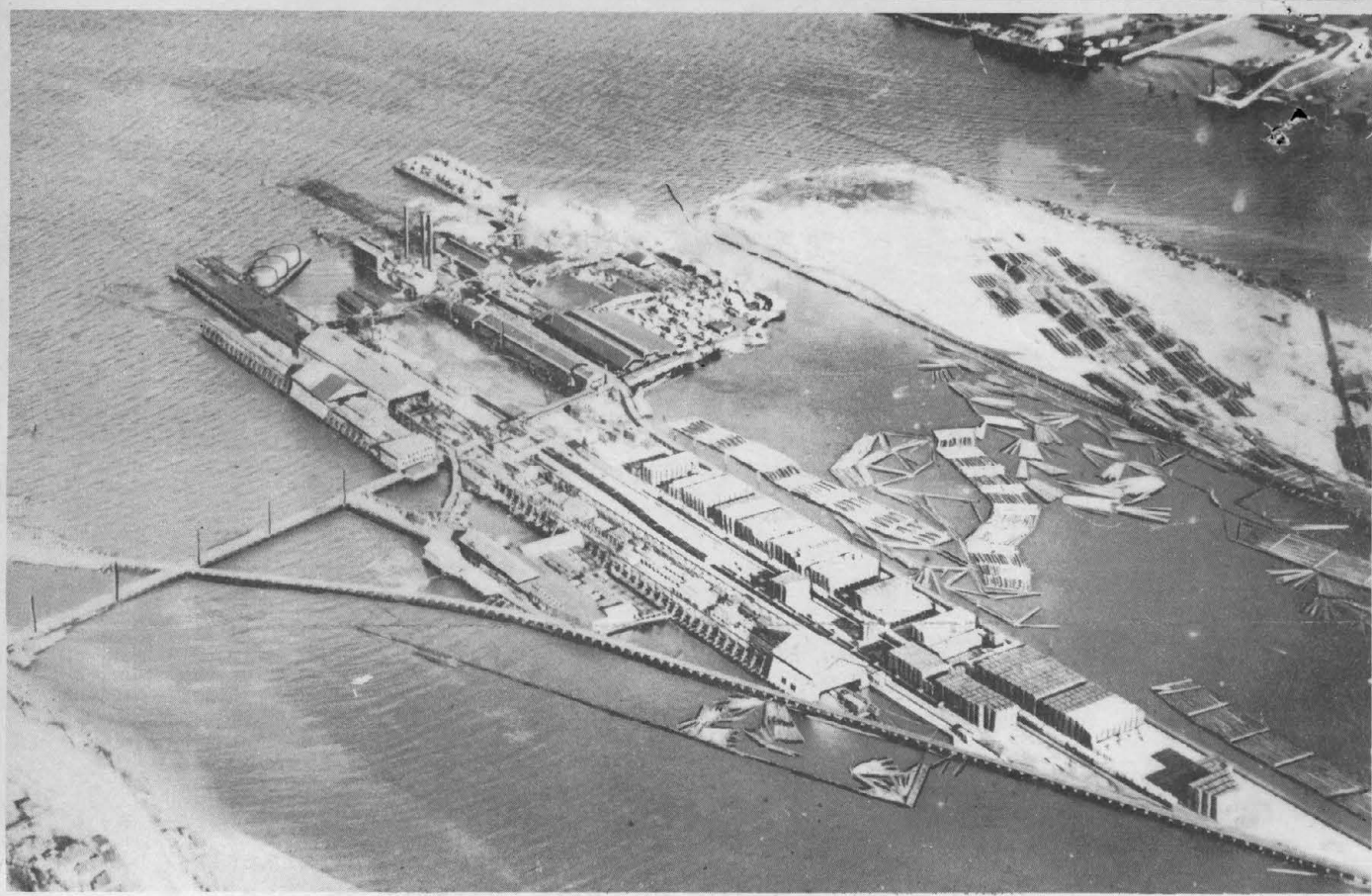
Would not pro-rating the fractional hour of "excess treating time" be cutting the cloth pretty close?

It was our intention that the new bases should be used for invoicing treated material for 1933 work. Since such material treated in December will not be invoiced until the end of the month, will you please advise us before December 31 if you wish us to use the new bases, leaving these minor details to be adjusted after we have met and agreed between ourselves.

Yours very truly,

HEH:I

Manager



AERIAL VIEW OF MANUFACTURING PLANTS





December 5, 1932w

Mr. H. E. Horrocks, Manager  
West Coast Wood Preserving Company  
1118- 4th Avenue at Seneca  
Seattle, Washington

Dear Mr. Horrocks:

I have spent some time with Messrs. Smith and Loom analyzing the proposals for modification of the present treating contract, outlined in your letter of September twenty-ninth, and we agree that your proposals are fairer throughout than the present contract schedule, and there is likewise a simplification.

I am attaching memorandum outlining first tentative draft of suggestion for modification of the contract along the general lines of your proposal. This would also include some other unit prices which are now covered in letter agreement.

Mr. Smith has made a suggestion with respect to treatment of lumber and timber which would be covered by the following:

- C-1. For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 40,000 feet board measure in any one charge, either separately or combined with commercial material, per thousand feet board measure . . . . . \$9.00
- C-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph C-1 with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the charge per cylinder, per hours (fractional hours pro-rata) . . . . . \$5.10

Mr. H. E. Horrocks, #2  
12/5/32

I am sending you this memorandum in order that you may have an opportunity to review it before Mr. Loom and I call on you, which it is our intention to do before Christmas. Am I correct in assuming that whatever revision in the way of unit prices are made would apply to material to be used for the year 1933 on which treatment was to begin December 1, 1932?

Yours very truly,

Assistant Chief Engineer.



December 5, 1932w

Mr. H. E. Horrocks, Manager  
West Coast Wood Preserving Company  
1118- 4th Avenue at Seneca  
Seattle, Washington

Dear Mr. Horrocks:

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- C-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph C-1 with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the charge per cylinder, per hours (fractional hours pro-rata) . . . . . \$5.10

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12/5/32

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Yours very truly,

Assistant Chief Engineer.



December 5, 1932w

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West Coast Wood Preserving Company  
1118- 4th Avenue at Seneca  
Seattle, Washington

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Mr. Smith has made a suggestion with respect to treatment of lumber and timber which would be covered by the following:

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- C-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph C-1 with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the charge per cylinder, per hours (fractional hours pro-rata) . . . . . \$5.10

Mr. H. E. Horrocks, #2  
12/5/32

I am sending you this memorandum in order that you may have an opportunity to review it before Mr. Loom and I call on you, which it is our intention to do before Christmas. Am I correct in assuming that whatever revision in the way of unit prices are made would apply to material to be used for the year 1933 on which treatment was to begin December 1, 1932?

Yours very truly,

Assistant Chief Engineer.



ALTERNATES

## (Lowry Smith's Proposal)

(1) Cancel all of Sections XVII and XVIII.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Co. for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties that have been air seasoned, per thousand feet board measure - - - - - \$6.50
- A-2. For the treatment of all cross ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$6.50
- A-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph A-2 per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- B-1. For the treatment of all switch ties that have been air seasoned, per thousand feet board measure - - - - - \$7.75
- B-2. For the treatment of all switch ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$7.75
- B-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph B-2, per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 40,000 feet board measure in any one charge, either separately or combined with commercial material, per thousand feet board measure - - - - - \$9.00
- C-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph C-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the charge per cylinder, per hour (Fractional hours pro rata) - - - - - \$5.10

D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Co. being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge, either separately or combined with commercial material, per cubic foot - - - - \$0.14

D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour (Fractional hours pro rata) - - \$5.10

D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.

E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder loads of ties or other material, it shall be done at the following rates for each treatment in addition to prices mentioned above in this Section XVII.

(a) Two cents (2¢) for each cross tie retreated.

(b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.

(c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.

It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.

E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2-3 per tie - - - - - 1¢

E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢



E-4. For incising sawed material other than cross ties and switch ties including all handling not included under Paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - - 40¢

E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2-3 and B-1-2-3 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under Paragraphs C-1-2 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in Paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, Paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

St. Paul, Minnesota  
November 25th, 1932

St Paul, November 29, 1932.



Mr. L. Yager:

Your letter of the 26th and returning file about the Seattle timber treating contract:

In view of all the circumstances as brought out in your report, and our discussions, I think Mr. Horrocks' proposition for revision covering cross ties, switch ties and piling should satisfy us especially as they have definite contract to cover with us.

With respect to lumber and timber: I think it well worthwhile to discuss the matter further with Mr. Horrocks along the lines of Mr. Smith's suggestions, and I will be glad if you will do so. We will then I think be in position to draft up revision of the agreement for execution.

*Bernard Blum*  
8

Dict.  
BB:h



Saint Paul, November 26th, 1932.

Mr. Bernard Blum:

Referring to our various discussions concerning the Seattle treating contract:

We were aware from the very beginning that some portions of that contract were out of line, particularly the 12 hour treatment intervals and the prices therefor. The schedule was the best we were able to obtain at the time, and since it was the best that could be developed and was considerably lower than any other choice the contract was regarded as acceptable. After Mr. Loom brought up the incising question last winter we had a very frank discussion of this subject with Mr. Horrocks last July in which it was developed that we frankly admitted the impropriety of our insisting on a revision of the contract rates, but that we would naturally consider any downward revision which Mr. Horrocks was willing to make in view of the changed circumstances.

Mr. Horrocks presented the matter quite completely in his letter to me Sept. 29th. That proposal has been analyzed by Messrs. Smith, Loom and myself, and we find that in the clarification resulting from the definite proposals submitted by Mr. Horrocks there is a material saving in accepting the proposals submitted by Mr. Horrocks. We have just finished reviewing all of these matters, and that has resulted in the attached memorandum outlining comparative costs and also a draft for a suggested revision of the existing contract to make the new proposal effective.

Mr. Smith has very carefully reviewed Mr. Horrocks' proposal, and that has resulted in the alternates outlined in the comparative costs as well as the memorandum of contract changes. We quite readily agree that Mr. Smith's attitude with respect to the treatment of seasoned cross ties and switch ties would be the proper method to follow if we were negotiating a new contract on its merits rather than consideration as is the present case, of an offer for a voluntary reduction on the part of the contractor. Mr. Horrocks' proposal results in a reduction in the tie treating cost of about \$1800.00.

With respect to switch ties, Mr. Horrocks' proposal for the basic treatment period of 12 hours is \$8.00 per thousand, which includes handling and incising. That results in a saving of \$6500.00 on the assumption that 4,000,000 F.B.M. will be treated in the next four years. Mr. Smith's proposal is 25¢ per thousand less, because he calls attention to the fact that the base price for treatment in the case of switch ties is based on the 12 hour treating period for cross ties of \$6.50 per thousand which includes incising. Here again, for the reason previously stated, we must be confined to Mr. Horrocks' offer.

The treatment of lumber and timber has been unsatisfactory to the contractor, by reason of having to treat small lots. Mr. Horrocks' proposal is based on the past experience of average treating time. This apparently results in an increase in cost to us. In this particular case I would be entirely agreeable to discussing the subject further with Mr. Horrocks in an endeavor to persuade him to the acceptance of Mr. Smith's analysis of arriving at a rate which appears to me to be more logical and in line with the basic assumptions on which Mr. Horrocks' proposal is evidently based.

When we come to analyze the piling situation we developed a number of uncertainties with respect to treating time both for the seasoned and unseasoned piling which would naturally make a considerable difference in the cost. While there is a very considerable difference in the proposals for treating piling as contrasted to the contract rate, this difference has not existed in recent years because in recognition of the high rate under the contract and the fact that we did not have a stock of seasoned piling available we have been purchasing piling on the going commercial rate, which is very close to what is now being proposed.

Accepting Mr. Horrocks' proposal would appear to develop a saving of about \$7100.00 for the balance of the contract period. You will appreciate, of course, that this saving is influenced by the distribution of treatment as between the different classes of material involved to complete the contract. On the last sheet of the memorandum you will find our estimated set-up of division as between the various classes of material to be treated.



It would be the intention to make this revision of the contract, if acceptable, effective December 1, 1932, in order to take care of the treatment during December which applies to the renewal season of 1933. I therefore recommend that approval be extended to the acceptance of Mr. Horrocks' proposal with the attempted modification which I have previously outlined with respect to the treatment of lumber and timber.

I am attaching hereto my complete file which contains all the details of recent reviews of these proposals.

LY-0

Assistant Chief Engineer.

cc-A J Loom

Saint Paul, November 26th, 1932.

Mr. Bernard Blum:

Referring to our various discussions concerning the Seattle treating contract:

We were aware from the very beginning that some portions of that contract were out of line, particularly the 12 hour treatment intervals and the prices therefor. The schedule was the best we were able to obtain at the time, and since it was the best that could be developed and was considerably lower than any other choice the contract was regarded as acceptable. After Mr. Loom brought up the incising question last winter we had a very frank discussion of this subject with Mr. Horrocks last July in which it was developed that we frankly admitted the impropriety of our insisting on a revision of the contract rates, but that we would naturally consider any downward revision which Mr. Horrocks was willing to make in view of the changed circumstances.

Mr. Horrocks presented the matter quite completely in his letter to me Sept. 29th. That proposal has been analyzed by Messrs. Smith, Loom and myself, and we find that in the clarification resulting from the definite proposals submitted by Mr. Horrocks there is a material saving in accepting the proposals submitted by Mr. Horrocks. We have just finished reviewing all of these matters, and that has resulted in the attached memorandum outlining comparative costs and also a draft for a suggested revision of the existing contract to make the new proposal effective.

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With respect to switch ties, Mr. Horrock's proposal for the basic treatment period of 12 hours is \$8.00 per thousand, which includes handling and incising. That results in a saving of \$6500.00 on the assumption that 4,000,000 F.B.M. will be treated in the next four years. Mr. Smith's proposal is 25¢ per thousand less, because he calls attention to the fact that the base price for treatment in the case of switch ties is based on the 12 hour treating period for cross ties of \$6.50 per thousand which includes incising. Here again, for the reason previously stated, we must be confined to Mr. Horrock's offer.

The treatment of lumber and timber has been unsatisfactory to the contractor, by reason of having to treat small lots. Mr. Horrock's proposal is based on the past experience of average treating time. This apparently results in an increase in cost to us. In this particular case I would be entirely agreeable to discussing the subject further with Mr. Horrocks in an endeavor to persuade him to the acceptance of Mr. Smith's analysis of arriving at a rate which appears to me to be more logical and in line with the basic assumptions on which Mr. Horrock's proposal is evidently based.

When we come to analyze the piling situation we developed a number of uncertainties with respect to treating time both for the seasoned and unseasoned piling which would naturally make a considerable difference in the cost. While there is a very considerable difference in the proposals for treating piling as contrasted to the contract rate, this difference has not existed in recent years because in recognition of the high rate under the contract and the fact that we did not have a stock of seasoned piling available we have been purchasing piling on the going commercial rate, which is very close to what is now being proposed.

Accepting Mr. Horrocks' proposal would appear to develop a saving of about \$7100.00 for the balance of the contract period. You will appreciate, of course, that this saving is influenced by the distribution of treatment as between the different classes of material involved to complete the contract. On the last sheet of the memorandum you will find our estimated set-up of division as between the various classes of material to be treated.

It would be the intention to make this revision of the contract, if acceptable, effective December 1, 1932, in order to take care of the treatment during December which applies to the renewal season of 1933. I therefore recommend that approval be extended to the acceptance of Mr. Horrocks' proposal with the attempted modification which I have previously outlined with respect to the treatment of lumber and timber.

I am attaching hereto my complete file which contains all the details of recent reviews of these proposals.

LY-O

Assistant Chief Engineer.

cc-A J Loom



MEMORANDUM

Outline of proposed changes in Contract with the J. M. Colman Company dated November 4th, 1926.

(1) Cancel all of Sections XVII and XVIII.

Substitute the following:

XVII. The Railway Co. agrees to pay to the Creosoting Co. for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require a time duration not longer than twelve hours actual treating hours per thousand feet board measure - \$6.50
- A-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph A-1 per cylinder-per hour (Fractional hours pro rata) - - - - - \$5.10
- B-1. For the treatment of all switch ties which require a time duration not longer than twelve hours, per thousand feet board measure - - - - - \$8.00
- B-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, (The Treating Company being given the option of treating such charges separately or mixed with commercial material) per thousand feet board measure - - - \$13.05
- C-2. For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve treating hours, per thousand feet board measure - - - - \$10.45
- C-3. For the time in excess of twelve actual treating hours required for treating material covered by Paragraph C-2 per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Co. being given the option of treating quantities of less than 2500 cubic feet in any one cylinder load either separately or combined with commercial material - per cubic foot - - - - - \$0.14

D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same load with commercial material the time over twelve hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the load, per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10

D-3. Where the quantity of material to be treated in any one load is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.

E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder loads of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.

(a) Two cents (2¢) for each cross tie retreated.

(b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.

(c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.

It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.

E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie - - - - - 1¢

E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢

E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - 40¢



E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2 and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

M E M O R A N D U M

(Horrock's proposal except hours pro rata  
instead of fractional hours.)

Outline of proposed changes in Contract with the J. M. Colman  
Company dated November 4th, 1926.

(1) Cancel all of Sections XVII and XVIII.

Substitute the following:

XVII. The Railway Co. agrees to pay to the Creosoting Co.  
for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties which require  
a time duration not longer than twelve actual  
treating hours per thousand feet board measure - \$6.50
- A-2. For time in excess of twelve actual treating hours  
required for treating material covered by paragraph  
A-1 per cylinder-per hour (Fractional hours  
pro rata) - - - - - \$5.10
- B-1. For the treatment of all switch ties which require  
a time duration not longer than twelve actual  
treating hours, per thousand feet board measure \$8.00
- B-2. For time in excess of twelve actual treating hours  
required for treating material covered by paragraph  
B-1 per cylinder per hour (Fractional hours  
pro rata) - - - - - \$5.10
- C-1. For the treatment of all sawed material other than  
cross ties and switch ties in cylinder charges of  
30,000 feet board measure or less, (The Treating  
Company being given the option of treating such  
charges separately or mixed with commercial  
material) per thousand feet board measure - - - \$13.05
- C-2. For the treatment of all sawed material other than  
cross ties and switch ties in cylinder charges in  
excess of 30,000 feet board measure which require  
a time duration of not longer than twelve actual  
treating hours, per thousand feet board measure \$10.45
- C-3. For the time in excess of twelve actual treating  
hours required for treating material covered by  
Paragraph C-2 per cylinder per hour (Fractional  
hours pro rata) - - - - - \$5.10
- D-1. For the treatment of all piling, poles and other  
similar material which requires a time duration  
not longer than twelve actual treating hours,  
the Creosoting Co. being given the option of  
treating quantities of less than 2500 cubic feet  
in any one cylinder charge either separately or  
combined with commercial material - per cubic  
foot - - - - - \$0.14



- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour (Fractional hours pro rata) - \$5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D.2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder charge of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie retreated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie - - - - - 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - - 40¢

E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2 and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificilally seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

St. Paul, Minn.  
November 25, 1932.



MEMORANDUM

(Hornbeck's proposal except hours pro rata instead of fractional hours.)  
Outline of proposed changes in Contract with the J. M. Colman  
Company dated November 4th, 1926.

(1) Cancel all of Sections XVII and XVIII.

Substitute the following:

XVII. The Railway Co. agrees to pay to the Creosoting Co.  
for the services rendered in this agreement the following prices:

A-1. For the treatment of all cross ties which require a  
time duration not longer than twelve ~~hours~~ actual  
treating hours per thousand feet board measure - \$6.50

A-2. For time in excess of twelve actual treating hours  
required for treating material covered by paragraph  
A-1 per cylinder-per hour (Fractional hours  
pro rata) - - - - - \$5.10

B-1. For the treatment of all switch ties which <sup>actual treating</sup> require  
a time duration not longer than twelve hours,  
per thousand feet board measure - - - - - \$8.00

B-2. For time in excess of twelve actual treating hours  
required for treating material covered by paragraph  
B-1 per cylinder per hour (Fractional hours  
pro rata) - - - - - \$5.10

C-1. For the treatment of all sawed material other than  
cross ties and switch ties in cylinder charges of  
30,000 feet board measure or less, (The Treating  
Company being given the option of treating such  
charges separately or mixed with commercial  
material) per thousand feet board measure - - - \$13.05

C-2. For the treatment of all sawed material other than  
cross ties and switch ties in cylinder charges in  
excess of 30,000 feet board measure which <sup>actual</sup> require  
a time duration of not longer than twelve treating  
hours, per thousand feet board measure - - - - \$10.45

C-3. For the time in excess of twelve actual treating  
hours required for treating material covered by  
Paragraph C-2 per cylinder per hour (Fractional  
hours pro rata) - - - - - \$5.10

D-1. For the treatment of all piling, poles and other  
similar material which requires a time duration  
not longer than twelve actual treating hours, the  
Creosoting Co. being given the option of treating  
quantities of less than 2500 cubic feet in any one  
cylinder ~~load~~ either separately or combined with  
commercial material - per cubic foot - - - - - \$0.14

*change*



- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same ~~load~~ <sup>charge</sup> with commercial material the time over twelve ~~hours~~ <sup>actual</sup> will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the ~~load~~ <sup>charge</sup>, per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- D-3. Where the ~~quantity~~ <sup>charge</sup> of material to be treated in any one ~~load~~ <sup>charge</sup> is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2. <sup>charge</sup>
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder ~~loads~~ of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie retreated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie - - - - - 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢
- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - 40¢



E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2 and B-1-2 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

*St Paul Min*  
*November 25-1932*

ALTERNATES

## (Lowry Smith's Proposal)

- (1) Cancel all of Sections XVII and XVIII.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Co. for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties that have been air seasoned, per thousand feet board measure - - - - - \$6.50
- A-2. For the treatment of all cross ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$6.50
- A-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph A-2 per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- B-1. For the treatment of all switch ties that have been air seasoned, per thousand feet board measure - - - - - \$7.75
- B-2. For the treatment of all switch ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$7.75
- B-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph B-2, per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 40,000 feet board measure in any one charge, either separately or combined with commercial material, per thousand feet board measure - - - - - \$9.00
- C-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph C-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the charge per cylinder, per hour (Fractional hours pro rata) - - - - - \$5.10



- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Co. being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge, either separately or combined with commercial material, per cubic foot - - - - - \$0.14
- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour (Fractional hours pro rata) - - \$5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder loads of ties or other material, it shall be done at the following rates for each treatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie retreated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2-3 per tie - - - - - 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢

- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under Paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - - 40¢
- E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2-3 and B-1-2-3 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under Paragraphs C-1-2 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in Paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, Paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

St. Paul, Minnesota  
November 25th, 1932



ALTERNATES

## (Lowry Smith's Proposal)

(1) Cancel all of Sections XVII and XVIII.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Co. for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties that have been air seasoned, per thousand feet board measure - - - - - \$6.50
- A-2. For the treatment of all cross ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$6.50
- A-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph A-2 per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- B-1. For the treatment of all switch ties that have been air seasoned, per thousand feet board measure - - - - - \$7.75
- B-2. For the treatment of all switch ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$7.75
- B-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph B-2, per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 40,000 feet board measure in any one charge, either separately or combined with commercial material, per thousand feet board measure - - - - - \$9.00
- C-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph C-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the charge per cylinder, per hour (Fractional hours pro rata) - - - - - \$5.10

- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Co. being given the option of treating quantities of less than 2500 cubic feet in any one cylinder charge, either separately or combined with commercial material, per cubic foot - - - - - \$0.14
- D-2. For time in excess of twelve actual treating hours required for treating material covered by Paragraph D-1, with the understanding that where material is treated in the same charge with commercial material the time over twelve actual treating hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the charge, per cylinder per hour (Fractional hours pro rata) - - \$5.10
- D-3. Where the quantity of material to be treated in any one charge is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with Paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder loads of ties or other material, it shall be done at the following rates for each treatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie retreated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2-3 per tie - - - - - 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢



- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under Paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - - 40¢
- E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2-3 and B-1-2-3 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under Paragraphs C-1-2 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in Paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, Paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

St. Paul, Minnesota  
November 25th, 1932

①

Memorandum

Outline of proposed changes in contract  
with the G. L. Colman Company dated November 4-1926

① Cancel all of Sections XVII and XVIII.

Substitute the following  
XVII. The Railway Company agrees to pay to the  
Crosby Company for the services rendered in this  
agreement the following prices.

A-1 For the treatment of all Cros ties which require  
a time duration not longer than twelve hours  
actual treating hours per thousand feet  
board measure - - - \$6.50

A-2 For time in excess of twelve actual treating  
hours required for treating material covered by  
paragraph A-1 per cylinder - per hour (fractional hours  
pro rata) \$5.10



(2)

B-1 For the treatment of all switch ties which require a time duration not longer than twelve hours, per thousand feet board measure - \$8.00

B-2 For time in excess of twelve actual treating hours required for treating material covered by paragraph B-1 per cylinder per hour (Fractional hours pro rata) \$5.10

C-1 For the treatment of all sawed material other than cross ties and switch ties in cylinder charges of 30,000 feet board measure or less, [The Treating Company being given the option of treating such charges separately or mixed with commercial material] per thousand feet board measure \$13.05

C-2 For the treatment of all sawed material other than cross ties and switch ties in cylinder charges in excess of 30,000 feet board measure which require a time duration of not longer than twelve treating hours per thousand feet board measure \$10.45

C-3. For the time in excess of twelve actual treating hours, required for treating material covered by paragraph C-2 per cylinder per hour (7 actual hours pro rata -). 5.10

D-1 For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Consulting Company being given the option of treating quantities of less than 2500 cubic feet in any one cylinder load either separately or combined with commercial material - per cubic foot .14

D-2 For time in excess of twelve actual treating hours required for treating material covered by paragraph D-1, with the understanding that where material is treated in the same load with commercial material the time over twelve hours will be prorated between the Railway and Commercial material in the proportion that the volume of the material



of each bears to the total volume in the  
 load, per cylinder per hour (fractional hours  
 pro rata) \$5.10

D-3 When the quantity of material to be  
 treated in any one load is less than 2500 cubic  
 feet the Contracting Company is given the <sup>option</sup> of furnishing finished piles, only, that will  
 meet the Railway Company's requirements, from  
 its stock at its current commercial price, which  
 shall not exceed the price that would have been  
 paid if the piles had been treated in  
 accordance with paragraphs D-1 and D-2  
 except that the treatment may be done at the  
 contractor's option.

E-1 In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Curing Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder loads of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII

- (a) Two cents (2c) for each cross tie retreated.
- (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.
- (c) Two cents (2c) per cubic foot for piling, poles and other similar material retreated.

It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.



E-2 For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2 per tie 1¢

E-3 For unloading treated switch ties from trains, storing in yard, stacking lengths separately and reloading in accordance with Railway Company instructions for shipment per thousand feet board measure \$.60

E-4 For measuring <sup>sawed</sup> material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure \$.40

E-5 For other handling at the plant site, framing of timber, + etc as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover expenses and profit.

Section XVIII It is understood and agreed that the prices quoted under Section XVII paragraphs A-1-2-3 and B-1-2-3 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trains before treatment, moving them to boring, drying and incising plant, boring, drying and making cross ties and making switch ties only; moving to cylinders, treating them and loading them from trains to railroad cars; and further that prices quoted under paragraphs C-1-2-3 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trains, moving to treating cylinders, treating and loading from trains on to railroad cars. The prices in paragraphs A - B - C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders.



in the process of treatment as shown by the treating records. Delays caused by failure of the Cuscuting Company's equipment, low steam pressure, etc shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Cuscuting Company from its stock it shall be credited to the material which the Railway Company shall have treated as required in Section II of this contract.

# MEMORANDUM

## SUMMARY OF COMPARATIVE COSTS, ETC.

\* \* \*

### (A) Material treated up to Dec. 1st, 1932

	<u>Cross Tie Equivalent</u>	<u>F.B.M.</u>
1. Cross ties	1,739,085	68,537,897
2. Switch ties	116,249	4,882,461
3. Lumber	51,516	2,163,677
4. Piling	69,891	2,935,416
Miscellaneous material	1,724	72,408
Total	1,978,465	78,591,859

### (B) Material to be treated Dec. 1, 1932 to end of contract Dec. 31, 1936.

1. Cross ties	852,013	33,228,507
2. Switch ties	95,238	4,000,000
3. Lumber	28,571	1,200,000
4. Piling (160,000 cu.ft.)	45,714	1,920,000
Total (B)	1,021,536	40,348,507
Total (A)	1,978,465	78,591,859
Contract	3,000,000	118,940,366

### CROSS TIES

#### 1. Present contract costs:

852,000 ties	-	33,228,507 F.B.M.	
51,000 F.B.M. per charge	-	652 charges	
12.7% over 12 hour period	-	81 "	
Treatment 12 hours or less at \$6.50 M			
571 charges - 29,121,000 F.B.M.			\$189,286
Treatment over 12 hours at \$7.65 M			
81 charges - 4,107,507 F.B.M.			31,422
			\$220,708
Average cost per M. F.B.M.			\$6.64

#### (A) Horrocks' proposal:

Treatment 12 hours or under at \$6.50 M			
652 charges - 33,228,507 FBM			215,985
Treatment over 12 hours at \$5.10 per retort hour or fraction thereof,			
81 charges x 7 hrs. per charge x \$5.10			2,892
			218,877
Average cost per M. F.B.M.			\$6.59

#### (B) Lowry Smith's proposal:

Treatment 12 hours or under			
652 charges - 33,228,507 FBM at \$6.50			215,985
Average cost per M. F.B.M.			\$6.50



SWITCH TIES

Present contract costs:

Total charges at 49,000 F.B.M.	82	
Charges over 12 hours	5	
Charges 12 hours or less	77	
Treatment 12 hrs. or less at \$9.00 per M		
77 charges 3,755,000		\$35,795
Incising 4,000,000 at 50¢		2,000
Treatment over 12 hours at \$12.00		
5 charges 245,000 F.B.M.		2,940
Total		38,735
Average cost per M		\$9.68

(A) Mr. Horrocks' proposal:

Treatment 12 hrs. and under and incising at \$8.00	
82 charges 4,000,000 ft.	32,000
Treatment over 12 hrs. at \$5.10 per retort hour	
5 charges at 8 hrs. at \$5.10	204
Total cost	\$32,204
Average cost per M	\$8.05

(B) Lowry Smith's proposal:

Treatment 12 hrs. and less including incising at \$7.75	
82 charges 4,000,000 ft.	31,000
Average cost per M	\$7.75

LUMBER AND TIMBER

Present contract costs

75 charges at 16,000 = 1,200,000 FEM	
Average treating time 19.25 hrs. per charge	
Treatment 12 hrs. to 24 hrs. at \$12.	\$14,400
Average cost per M	\$12.00

(A) Mr. Horrocks' proposal

Treatment of charges 30,000 or less at flat rate of \$13.05	
1,200,000 FEM at \$13.05	\$15,660
Average cost per M	\$13.05

(B) Lowry Smith's proposal

Treatment 12 hrs. or less at \$9.00	
1,200,000 FEM	\$10,800
Treatment over 12 hrs. at \$5.10 per retort hour	
75 charges x 7.25 hrs. x \$5.10	2,773
Total cost	13,573
Average cost per M	11.31

PILING - SEASONED - Assumed experience of  
past five years

Present contract costs:

160,000 cu.ft. average 24 hrs. - 25% retreat

Treatment 24 hrs. at 20¢	\$32,000
Retreatment 25% at 2¢ per cu.ft.	800
Retreat 25% at 6¢ per cu.ft.	2,400
Total	35,200
Average cost per cubic foot	\$0.22

(A) Mr. Horrocks's proposal

160,000 cu.ft. at 1800 ft. per charge - 89 charges

Treatment 12 hrs. or under at .14 per cu.ft.	22,400
Treatment over 12 hrs. at 5.10 per retort hour	
89 charges x 12 hrs. x 5.10	5,447
Retreatment at 2¢ per cu.ft. for 25%	800
Retreatment at 25% x 12 hrs. x \$5.10	1,346
Total cost	29,993
Average cost per cu.ft.	\$0.19

(B) Lowry Smith's proposal

Same as above.

PILING - UNSEASONED

Average treating time probably 48 hrs.

Present contract costs:

160,000 cu.ft. 48 hrs. at .32	51,200
Retreatment at 2¢ per ft. for 50%	1,600
Retreatment 12 hrs. at 6¢ per ft. for 50%	4,800
Total cost	57,600
Average cost per cu.ft.	\$0.36

(A) Mr. Horrocks' proposal

Treatment 12 hrs. or under at .14 per cu.ft	22,400
Treatment at 5.10 per retort hour	
89 charges x 36 hrs. x 5.10	16,340
Retreatment 50% of 89 charges x 12 hrs @ 5.10	2,754
" 2¢ per cu.ft. at 50% - 80,000 ft	1,600
Total	43,094
Average cost per cubic ft.	\$0.27

(B) Lowry Smith's proposal

Same as above.

SUMMARY

	Present cost	Horrocks	Smith	Horrocks saving	Smith saving
Treat 852,013 ties	220,708	218,877	215,985	1,831	4,723
" 4,000,000' Sw. ties	38,735	32,204	31,000	6,531	7,735
" 1,200,000' Timber	14,400	15,660	13,573	(1,260)	827
Sub-total ties & thr.	273,843	266,741	260,558	7,102	13,285
Seasoned piling 160000'	35,200	29,993	29,993	5,207	5,207
Sub-total incl. piling	309,043	296,734	290,551	12,309	18,492
Unseasoned piling 160000'	57,600	43,094	43,094	14,506	14,506



BALANCE OF MATERIAL TO BE TREATED AFTER DEC. 31, 1932

	<u>Ties or equivalent</u>	<u>F.B.M.</u>
<u>CROSS TIES</u>		
Balance Dec. 31, 1931	1,041,429	41,015,248
Treated in 1932	<u>203,102</u>	<u>8,045,319</u>
Bal. after Dec. 1 1932	838,327	32,969,929
<u>SWITCH TIES</u>		
Balance Dec. 31, 1931	99,107	4,162,471
Treated 1932	<u>17,143</u>	<u>719,990</u>
Bal. after Dec. 1, 1932	81,964	3,442,481
<u>LUMBER</u>		
Bal. Dec. 31, 1931	47,286	1,968,014
Treated in 1932	<u>4,658</u>	<u>195,663</u>
Bal. after Dec. 1 1932	42,628	1,773,351
<u>PILING</u>		
Bal. Dec. 31, 1931	64,253	2,698,680
Treated in 1932	<u>5,636</u>	<u>236,736</u>
Bal. after Dec. 1, 1932	58,617	2,461,944
<b>TOTAL</b>	<b>1,021,536</b>	<b>40,647,705</b>

	<u>Cross tie equivalents</u>
Treated to Dec. 31, 1931	1,747,936
Treated in 1932 to Dec. 1st	<u>230,539</u>
Total treated to Dec. 1, 1932	1,978,465
Bal. to be treated (see sheet 1)	<u>1,021,536</u>
Total contract	3,000,001

ESTIMATED FUTURE TREATMENT BY CLASSES OF MATERIAL

Year	Ties No.	Ties FBM	Sw.Ties FBM	Lumber	Piling c.ft.	Piling ft.B.M.
1933	108,000		1,000,000	300,000	40,000	480,000
1934	248,004		1,000,000	300,000	40,000	480,000
1935	248,004		1,000,000	300,000	40,000	480,000
1936	248,004		1,000,000	300,000	40,000	480,000
Total	852,013	33,228,507	4,000,000	1,200,000	160,000	1,920,000

Office of Chief Engineer  
November 26, 1932.

# MEMORANDUM

## SUMMARY OF COMPARATIVE COSTS, ETC.

\*\*\*

### (A) Material treated up to Dec. 1st, 1932

	<u>Gross Tie Equivalent</u>	<u>F.B.M.</u>
1. Cross ties	1,729,085	68,537,897
2. Switch ties	116,349	4,882,461
3. Lumber	51,516	2,163,677
4. Piling	69,891	2,935,416
Miscellaneous material	1,724	72,408
Total	1,978,465	78,591,859

### (B) Material to be treated Dec. 1, 1932 to end of contract Dec. 31, 1936.

1. Cross ties	852,013	33,228,507
2. Switch ties	95,238	4,000,000
3. Lumber	28,571	1,200,000
4. Piling (160,000 cu.ft.)	45,714	1,920,000
Total (B)	1,021,536	40,348,507
Total (A)	1,978,465	78,591,859
Contract	3,000,000	118,940,366

### CROSS TIES

#### 1. Present contract costs:

852,000 ties	-	33,228,507 F.B.M.	
51,000 F.B.M. per charge	-	652 charges	
12.7% over 12 hour period	-	81 "	
Treatment 12 hours or less at \$6.50 M			
571 charges - 29,121,000 F.B.M.			\$189,286
Treatment over 12 hours at \$7.65 M			
81 charges - 4,107,507 F.B.M.			31,422
			\$220,708
Average cost per M. F.B.M.			\$6.64

#### (A) Horrocks' proposal:

Treatment 12 hours or under at \$6.50 M			
652 charges - 33,228,507 F.B.M.			215,985
Treatment over 12 hours at \$5.10 per retort hour or fraction thereof,			
81 charges x 7 hrs. per charge x \$5.10			2,892
			218,877
Average cost per M. F.B.M.			\$6.59

#### (B) Lowry Smith's proposal:

Treatment 12 hours or under			
652 charges - 33,228,507 F.B.M. at \$6.50			215,985
Average cost per M. F.B.M.			\$6.50



# SWITCH TIES

## Present contract costs:

Total charges at 48,000 F.B.M.	32	
Charges over 12 hours	5	
Charges 12 hours or less	77	
Treatment 12 hrs. or less at \$9.00 per M		
77 charges 3,755,000		\$23,795
Incising 4,000,000 at 50¢		2,000
Treatment over 12 hours at \$12.00		
5 charges 345,000 F.B.M.		2,940
Total		38,735
Average cost per M		\$9.68

## (A) Mr. Horrocks' proposal:

Treatment 12 hrs. and under and incising at \$8.00		
32 charges 4,000,000 ft.	32,000	
Treatment over 12 hrs. at \$5.10 per retort hour		
5 charges at 8 hrs. at \$5.10		204
Total cost		\$32,204
Average cost per M		\$8.05

## (B) Lowry Smith's proposal:

Treatment 12 hrs. and less including incising at \$7.75		
32 charges 4,000,000 ft.	31,000	
Average cost per M		\$7.75

# LUMBER AND TIMBER

## Present contract costs

75 charges at 16,000 = 1,200,000 FBM		
Average treating time 19.25 hrs. per charge		
Treatment 12 hrs. to 24 hrs. at \$12.		\$14,400
Average cost per M		\$12.00

## (A) Mr. Horrocks' proposal

Treatment of charges 30,000 or less at flat rate of \$13.05		
1,200,000 FBM at \$13.05		\$15,660
Average cost per M		\$13.05

## (B) Lowry Smith's proposal

Treatment 12 hrs. or less at \$9.00		
1,200,000 FBM		\$10,800
Treatment over 12 hrs. at \$5.10 per retort hour		
75 charges x 7.25 hrs. x \$5.10		2,773
Total cost		13,573
Average cost per M		11.31

PILING - SEASONED - Assumed experience of  
past five years

Present contract costs:

160,000 cu.ft. average 24 hrs. - 25% retreat

Treatment 24 hrs. at 20¢	\$32,000
Retreatment 25% at 2¢ per cu.ft.	800
Retreat 25% at 6¢ per cu.ft.	2,400
Total	35,200
Average cost per cubic foot	\$0.22

(A) Mr. Horrocks's proposal

160,000 cu.ft. at 1800 ft. per charge - 89 charges

Treatment 12 hrs. or under at .14 per cu.ft.	22,400
Treatment over 12 hrs. at 5.10 per retort hour	
89 charges x 12 hrs. x 5.10	5,447
Retreatment at 2¢ per cu.ft. for 25%	800
Retreatment at 25% x 12 hrs. x 5.10	1,346
Total cost	29,993
Average cost per cu.ft.	\$0.19

(B) Lowry Smith's proposal

Same as above.

PILING - UNSEASONED

Average treating time probably 48 hrs.

Present contract costs:

160,000 cu.ft. 48 hrs. at .32	51,200
Retreatment at 2¢ per ft. for 50%	1,600
Retreatment 12 hrs. at 6¢ per ft. for 50%	4,800
Total cost	57,600
Average cost per cu.ft.	\$0.36

(A) Mr. Horrocks' proposal

Treatment 12 hrs. or under at .14 per cu.ft	22,400
Treatment at 5.10 per retort hour	
89 charges x 36 hrs. x 5.10	16,340
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" 2¢ per cu.ft. at 50% - 80,000 ft	1,600
Total	43,094
Average cost per cubic ft.	\$0.27

(B) Lowry Smith's proposal

Same as above.

SUMMARY

	Present cost	Horrocks	Smith	Horrocks saving	Smith saving
Treat 852,013 ties	220,708	218,877	215,985	1,831	4,723
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Sub-total incl. piling	309,043	296,734	290,551	12,309	18,492
Unseasoned piling 160000'	57,600	43,094	43,094	14,506	14,506



BALANCE OF MATERIAL TO BE TREATED AFTER DEC. 31, 1932

	<u>Ties or equivalent</u>	<u>F.B.M.</u>
<u>CROSS TIES</u>		
Balance Dec. 31, 1931	1,041,429	41,015,248
Treated in 1932	<u>203,102</u>	<u>8,045,319</u>
Bal. after Dec. 1 1932	838,327	32,969,929
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Balance Dec. 31, 1931	99,107	4,162,471
Treated 1932	<u>17,143</u>	<u>719,990</u>
Bal. after Dec. 1, 1932	81,964	3,442,481
<u>LUMBER</u>		
Bal. Dec. 31, 1931	47,286	1,968,014
Treated in 1932	<u>4,658</u>	<u>195,663</u>
Bal. after Dec. 1 1932	42,628	1,772,351
<u>PILING</u>		
Bal. Dec. 31, 1931	64,253	2,698,680
Treated in 1932	<u>5,636</u>	<u>236,736</u>
Bal. after Dec. 1, 1932	58,617	2,461,944
<b>TOTAL</b>	<b>1,021,536</b>	<b>40,647,705</b>

	<u>Gross tie equivalents</u>
Treated to Dec. 31, 1931	1,747,926
Treated in 1932 to Dec. 1st	<u>230,539</u>
Total treated to Dec. 1, 1932	1,978,465
Bal. to be treated (see sheet 1)	<u>1,021,536</u>
Total contract	3,000,001

ESTIMATED FUTURE TREATMENT BY CLASSES OF MATERIAL

Year	Ties No.	Ties FBM	Sw. Ties FBM	Lumber	Piling c.ft.	Piling ft.B.M.
1933	108,000		1,000,000	300,000	40,000	480,000
1934	248,004		1,000,000	300,000	40,000	480,000
1935	248,004		1,000,000	300,000	40,000	480,000
1936	248,004		1,000,000	300,000	40,000	480,000
Total	852,018	33,228,507	4,000,000	1,200,000	160,000	1,920,000

Office of Chief Engineer  
November 26, 1932.

# M E M O R A N D U M

## SUMMARY OF COMPARATIVE COSTS, ETC.

\* \* \*

### (A) Material treated up to Dec. 1st, 1932

	<u>Cross Tie Equivalent</u>	<u>F.B.M.</u>
1. Cross ties	1,739,085	68,537,897
2. Switch ties	116,249	4,882,461
3. Lumber	51,516	2,163,677
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Miscellaneous material	1,724	72,408
Total	1,978,465	78,591,859

### (B) Material to be treated Dec. 1, 1932 to end of contract Dec. 31, 1936.

1. Cross ties	852,013	33,228,507
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Total (B)	1,021,536	40,348,507
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Average cost per M. F.B.M.			\$6.64

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81 charges x 7 hrs. per charge x \$5.10			2,892
			<u>218,877</u>
Average cost per M. F.B.M.			\$6.59

#### (B) Lowry Smith's proposal:

Treatment 12 hours or under			
652 charges - 33,228,507 FBM at \$6.50			215,985
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Total	852,013	33,228,507	4,000,000	1,200,000	160,000	1,920,000

Office of Chief Engineer  
November 26, 1932.

6 - ①

# Memorandum

## Summary of Comparative Cost Etc.

### ① Material treated up to Dec 1<sup>st</sup> 1932

	<u>Cross Lic Equivalent</u>	<u>F.B.M.</u>
1 - Cross Lic <sup>39</sup>	1,739,085	68,537,897
2 - Switch Lic	116,749	4,882,461
3 - Lumber	51,516	2,163,677
4 - Piling	69,891	2,935,416
(misc. material)	1724	72,408
Total - -	<u>1,978,465</u>	<u>78,591,859</u>

### ② Material to be treated Dec. 1<sup>st</sup> 1932 to End of Contract Dec 31<sup>st</sup> 1936

1 - Cross Lic <sup>39</sup>	852,013	23,228,507
2 - Switch Lic	95,238	4,000,000
3 - Lumber	28,571	1,200,000
4 - Piling (160,000 Cu.ft.) =	45,714	1,920,000
Total ② -	<u>1,021,536</u>	<u>40,348,507</u>
- Total ① -	<u>1,978,465</u>	<u>78,591,859</u>
Contract -	<u>3,000,000</u>	<u>118,940,366</u>



(2)

Cross Lier

## ① Present Contract Cost

852,000 Lbs = 33,228.507 IBM.

51,000 IBM per Charge = 652 Charges

12.7% over 12 Hour period = 81 "

Treatment 12 Hrs or less @ \$6.50 m

571 Charges - 29,121,000 IBM \$189,286.

Treatment over 12 Hrs @ \$7.65 m

81 Charges - 4,107,507 IBM. 31,488.

Total - \$220,708.

Average Cost per m. IBM \$6.64

## ② Horrocks Proposal

Treatment 12 Hrs or under @ \$6.50 m

652 Charges - 33,228.507 IBM \$215,985.

Treatment over 12 Hrs @ \$5.10 per

Retest Hour or fraction thereof

81 Charges X 7 Hrs per charge X \$5.10 2892.

Total - \$218,877.

Average Cost per m. IBM \$6.59

## ③ Lowry Smith Proposal

Treatment 12 Hrs or Under

652 Chgs. 33,228.507 IBM @ \$6.50 215,985.

Average Cost per m. IBM \$6.50

# Smidt Ties

## Print Contract costs

Total Charges @ 49,000 ft BM 82  
Charges over 12 hrs 5  
Charges 12 hrs or less 77  
Treatment 12 hrs. or less @ 9<sup>00</sup> per M  
77 charges 3,755,000 \$33,795 ✓  
Duesing 4,000,000 @ 50¢ 2000 ✓  
Treatment over 12 hrs @ 12.00  
5 Charges 245,000 ft BM 2,940 ✓  
Total 38,735 ✓  
Average Cost per M \$9.68 ✓

## A Mr Horvick's Proposal

Treatment 12 hrs + under + incasing @ 8<sup>00</sup>  
82 Chaps 4,000,000 ft 32,000 ✓  
Treatment over 12 hrs @ 5<sup>10</sup> per retort hours.  
5 Charges @ 8 hrs @ 5<sup>10</sup> 204 ✓  
Total Cost 32,204 ✓  
Average Cost per M \$8.05 ✓

## B Loney Smith's Proposal

Treatment 12 hrs + less including incasing @ 7.75  
82 Charges 4,000,000 ft 31,000 ✓  
Average cost per M 7.75 ✓  
5 Charges @ 8 hrs @ 5<sup>10</sup>



# Lumber + Timber

④

## Present Contract Costs

75 Charges @ 16,000 - 1,200,000 ft BM

Average treating time 19.25 hrs per charge

Treatment 12 hrs to 24 hrs @ 12.00

\$19,400 ✓

Average Cost per M

\$12.00 ✓

## ④ Mr. Horrocks Proposal

Treatment of Charges 30,000 or less at flat rate of 13.05

1,200,000 ft BM @ 13.05

\$15,660 ✓

Average Cost per M

\$13.05 ✓

## ④ Larry Smiths Proposal

Treatment 12 hrs or less @ 9.00

1,200,000 ft

\$10,800 ✓

Treatment over 12 hrs @ 5.10 per actual hour

75 Charges x 7.25 hrs x 5.10

\$2,773 ✓

Total Cost

13,573 ✓

Average Cost per M

\$11.31 ✓

Piling - Seasoned - Assumed experience of past 5 years

Present Contract Costs

160,000 cu ft average 24 hrs - 25% retreat

Treatment 24 hrs @ 20¢

\$ 32,000 -

Retreatment 25% @ 2¢ per cu ft

800 -

Retreat 25% @ 6¢ per cu ft

2400 -

Total

35200 -

Average cost per cubic ft.

\$.22

(A) Mr. Hornet's Proposal

160,000 cu ft @ 1800 ft per charge = 89 charges

Treatment 12 hrs or under @ .14 per cu ft

\$ 22,400 -

Treatment over 12 hrs @ 5<sup>10</sup> per retreat hour

89 charges x 12 hrs @ 5<sup>10</sup>

5447 -

Retreatment @ 2¢ per cu ft for 25%

800 -

Retreatment @ 25% x 12 hrs x 5<sup>10</sup> (22 chgs = 1408)

1346

Total Cost

\$ 29,993

Average Cost per cu ft.

.19

(B) Perry Smith's Proposal (Same as above)

~~160000 / 29993 = .187~~  
~~160000~~  
~~1399300~~  
~~1580000~~  
~~1193000~~  
~~1112000~~

~~22400~~  
~~5447~~  
~~800~~  
~~1408~~  
~~30055~~  
~~.188~~



⑥

# Piling Unassumed

Average Dredging time probably 48 hrs.

## Present Contract Costs

160,000 cu ft 48 hrs @ \$.32	51,200.
Retrieval @ 2¢ per ft for 50%	1,600.
Retrieval 12 hrs @ 6¢ per ft for 50%	4,800.
Total Cost	57,600.
Average Cost per cu ft.	\$.36.

## A Mr Horvick's Proposal

Treatment 12 hrs. or under @ .14 per cu ft.	22,400.
Treatment @ \$5 <sup>10</sup> per retent hour	
89 charges x 36 hrs x \$5 <sup>10</sup>	16,340.
Retrieval 50% of 89 charges x 12 hrs. + \$5 <sup>10</sup>	2,754.
Retrieval @ 2¢ per cu. ft. @ 50% = 80,000 ft.	1,600.
Total	43,094.
Average Cost per cubic ft.	\$.27.

## B) Remy Smith Proposal (Same as above)

## Summary

(7)

	Present Cost	Harvest	Summ	Harvest Sug	Summ Sug
Treating 852013 Lbs	220708	218,877	215985	1831	4723
Treating 4,000,000 ft Sued Lbs	38,735	32,204	31,000	6,531	7,735
Treating 1,700,000 ft Timber	14,400	15,660	13,573	(1260)	827
Sub Total Treat + Timber	273,843	266,741	260,558	7,102	13,285
Seamed Piling 160,000 ft.	35,200	29993	29993	5207	5207
Sub Total including Piling	309,043	296,734	290,551	12,309	18,492
Unseamed Piling 160,000 ft.	57600	43,094	43,094	14,506	14,506



(1)

(8)

Balance of material to be treated after Dec.  
31<sup>st</sup> 1932.

<u>Cross Lvs</u>	<u>Lvs or equivalent</u>	<u>SBM</u>
Balance Dec 31 - 1931	1,041,429	4,015,248
Treated in 1932	<u>203,102</u>	<u>8045.319</u>
Bal. after Dec. 1 - 1932	838,327	32,969,929

### Swiss Lvs

Balance Dec 31 - 1931	99,107	4,162,471
Treated 1932	<u>17,143</u>	<u>719,990</u>
Bal. after Dec 1 - 1932	81,964	3,442,481

### Lumber

Bal. Dec. 31 - 1931	47,286	1,968,014
Treated in 1932	<u>4,658</u>	<u>195,663</u>
Bal. after Dec 1 - 1932	42,628	1,773,351

### Piling

Bal. Dec 31 - 1931	64,253	2,698,680
Treated in 1932	<u>5,636</u>	<u>236,736</u>
Bal. after Dec 1 - 1932	<u>58,617</u>	<u>2,461,944</u>
Total	1,021,536	40,647,765

(2)

Crew Lic Equivalent ⑨

Treated to Dec 31<sup>st</sup> 1931

1,747,926

Treated in 1932 to Dec. 1<sup>st</sup>

230,539

Total treated to Dec 1 - 1932

1,978,465

Bal. to be treated (see sheet no 1)

1,021,536

Total Contract.

3,000,001

Estimated Future Treatment by Classes of Material

Year	Ties no	Ties ft	Smith Ties ft	Lumber	Piling cu ft	Plly ft
1933	108,000		1,000,000	300,000	40,000	480,000
1934	248,004		1,000,000	300,000	40,000	480,000
1935	248,004		1,000,000	300,000	40,000	480,000
1936	248,004		1,000,000	300,000	40,000	480,000
Total	852,013	33,228,507	4,000,000	1,200,000	160,000	1,920,000

St. Paul Min

November 26-1932



ALTERNATES( *Levy Smiths proposal* )

- (1) Cancel all of sections XVII and XVIII.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Co. for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties that have been air seasoned, per thousand feet board measure - - - - - \$6.50
- A-2. For the treatment of all cross ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$6.50
- A-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph A-2 per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- B-1. For the treatment of all switch ties that have been air seasoned, per thousand feet board measure - - - - - \$7.75
- B-2. For the treatment of all switch ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$7.75
- B-3. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-2, per cylinder-per hour (Fractional hours pro rata) - - - - - \$5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 40,000 feet board measure in any one ~~load~~, *charge* either separately or combined with commercial material, per thousand feet board measure - - - - - \$9.00
- C-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph C-1, with the understanding that where material is treated in the same ~~load~~ with commercial material the time over twelve hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the ~~load~~ per cylinder, per hour (Fractional hours pro rata) - - - - - \$5.10

*charge**charge*  
*actual treating*



D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Co. being given the option of treating quantities of less than 2500 cubic feet in any one cylinder ~~load~~ either separately or combined with commercial material - per cubic foot - - - - - \$0.14

D-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph D-1, with the understanding that where material is treated in the same ~~load~~ with commercial material the time over twelve hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the ~~load~~, per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10

D-3. Where the quantity of material to be treated in any one ~~load~~ is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with paragraphs D-1 and D-2.

E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder loads of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.

(a) Two cents (2¢) for each cross tie retreated.

(b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.

(c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.

It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.

E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2-3 per tie - - - - - 1¢

E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢



- E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - 40¢
- E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2-3 and B-1-2-3 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.

*81 Paul Min*  
*November 25-1922*

Treating costs at Seattle under present contract as compared with proposed revision by Mr. H. E. Horrocks and recommendations of Mr. Lowry Smith on estimated balance of material to be treated. Treating time, quantities, and volume of charges based on our experience of the past five years.

Balance of Material to be Treated and Cross Tie Equivalents.

Cross Ties	1,041,429 Pcs	-	41,015,248 FBM.
Switch Ties	99,107 "	-	4,162,471 "
Misc. Lumber & Bridge Material	47,286 "	-	1,968,014 "
Piling (224,885.5 Cu.Ft.)	64,253 "	-	2,698,626 "
TOTAL	( 1,252,075 )	"	49,844,359 "
	(Cross Tie	)	
	(Equivalents	)	

CROSS TIES

Present Contract Figures:

Total Charges (51,000 FBM per charge)	805
12.7% over the 12 hr. period	103
Treatment 12 Hrs. or under @ \$6.50 M.	
702 Charges - 35,802,000 FBM	\$232,713.00
Treatment over 12 hrs. @ \$7.65 M.	
103 Charges (12.7%) 5,213,248 FBM	39,881.35
TOTAL	41,015,248 FBM \$272,594.35

Mr. Horrocks Proposal:

Treatment 12 Hrs. or under @ \$6.50 M.	
805 Charges - 41,015,248 FBM	\$266,599.11
Treatment over 12 Hrs. @ \$5.10 per retort hour or fraction thereof	
103 Charges 6.95 Hrs. per charge	
(7 Hrs. per charge) 721 Hrs. @ \$5.10	3,677.10
TOTAL	41,015,248 FBM \$270,276.21

Mr. Lowry Smith's Proposal:

Treatment 12 hrs. or under @ \$6.50 M.	
805 Charges - 41,015,248 FBM	\$266,599.11
Treatment over 12 hrs. @ \$5.10 per retort hour or fraction thereof:	
103 Charges 6.95 hrs. per charge	
pro-rata 715.85 Hrs @ \$5.10	3,650.83
TOTAL	41,015,248 FBM \$270,249.94

*void*



## SWITCH TIES

### Present Contract Figures: (Total 85 Charges)

Treatment 12 hrs. or under @ \$9.00 M		
80 Charges - 3,936,486 FBM		\$35,428.37
Plus \$0.50 per M. for incising		1,968.24
Treatment over 12 hrs. @ \$12.00 M		
5 Charges - 225,985 FBM		2,711.82
Plus \$0.50 per M. for incising		112.99
T O T A L	4,162,471 FBM	\$40,221.42

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### Mr. Horrocks' Proposal:

Treatment 12 hrs. or under @ including incising - \$8.00 per M		
85 Charges - 4,162,471 FBM		\$33,299.77
Treatment over 12 hrs. @ \$5.10 per retort hour or fraction thereof		
5 Charges 8 hrs. per charge or 40 hrs. @ \$5.10		204.00
T O T A L	4,162,471 FBM	\$33,503.77

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### Mr. Lowry Smith's Proposal:

Treatment 12 hrs. or under - including incising @ \$7.75 per M.		
85 Charges - 4,162,471 FBM		\$32,259.15
Treatment over 12 hrs. @ \$5.10 per retort hour (fractional hrs. pro-rata)		
5 Charges 8 hrs. per charge or 40 hrs. @ \$5.10		204.00
T O T A L	4,162,471 FBM	\$32,463.15

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SAVED MATERIAL OTHER THAN CROSS TIES & SWITCH TIES

Present Contract Figures

(123 Charges - Average Charge 16,000 FBM  
Average Treating Time 19.25 hrs. per Charge)

Treatment 12 hrs. to 24 hrs. @ \$12.00 M	
1,968,014 FBM	\$23,616.17

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Mr. Horrocks' Proposal

Treatment of charges 30,000 FBM or less  
at flat rate \$13.05 M.

123 charges	1,968,014 FBM	\$25,682.58
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-----  
Treatment 12 hrs or under - Charges in  
excess of 30,000 FBM \$10.45 per M

1,968,014 FBM	\$20,565.75
---------------	-------------

Treatment over 12 hrs. @ \$5.10 per  
retort hour or fraction thereof

123 Charges 7.25 hrs (8 Hrs.) per charge Or 984 Hrs. @ \$5.10	5,018.40
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Total	\$25,584.15
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Mr. Lowry Smith's Proposal

Treatment 12 hrs. or under @ \$9.00 M	
1,968,014 FBM	\$17,712.13

Treatment over 12 hrs. 123 charges  
7.25 hrs. per charge or 891.75 hrs.  
at \$5.10 per retort hour (Fractional  
hours pro-rata)

4,547.93
----------

Total	\$22,259.06
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P I L I N G

Present Contract figures average cost of treatment including retreatment under Contract schedule based on past 5 years practice

Per Cubic Foot      \$0.2851      224,885 Cu Ft.      \$64,114.71

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Mr. Horrocks' Proposal

(125 Charges - Average Time 25 hrs per charge)

Treatment 12 hrs. or under \$0.14 per Cu. Ft.  
224,885 Cu.Ft.      \$31,483.90

Treatment over 12 hrs. @ \$5.10 per retort hour.

125 charges at 13 hrs. per charge  
or 1625 hrs. @ \$5.10      8,287.50

Retreatment @ 2¢ per Cu. Ft.  
30% x 224,885 Cu. Ft. - 67,465 Cu.Ft. @ 2¢      1,349.30

Total      \$41,120.70

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Mr. Lowry Smith's Proposal

(Same as above)

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Due to the fact that we have discontinued our stock of air-seasoned piling at least for the present, we must expect a very large percentage of our requirements for the balance of the contract to be furnished from green stock. This will greatly increase the average treating time used in the above figures. The average time for green piling may run close to 50 hrs. This would result as follows:

Treatment 12 hrs or under @ \$0.14 per Cu. Ft.  
224,885 Cu.Ft.      \$31,483.90

50% Retreatment @ 2¢ per Cu. Ft.      112,442 " "      2,248.84

Treatment in excess of 12 hrs. @ \$5.10 per retort hr.

125 Charges at 38 hrs. per charge  
or 4,750 hrs.      24,225.00

Total      \$57,957.74

① Treated up to Dec 1st 1932

① Cross ties 1,739,000 ps	68,538,000
② Sunk ties	4,882,500
③ Lumber	2,164,000
④ Piling 244,600 cu ft	2,935,200
Total	<u>78,519,700</u>

② To be treated

① Sunk ties	4,000,000
② Lumber	1,200,000
③ Piling 404,600 cu ft	4,855,000
	<u>10,055,000</u>
Total Treated	<u>78,519,700</u>
Sunk Total	<u>88,574,700</u>
Obligation 3,000,000 ties x 40 ft	120,000,000
Difference in ties 785,500	31,425,300



# Memorandum

## Summary of comparative costs etc

### A Material treated up to Dec. 1st 1932

① Cross ties	1,739,085 pcs	68,537,897	68,538,000 ft BM
② Sleepers	— pcs	4,882,461	4,882,000 ft BM
③ Lumber	237,656 pcs	2,163,677	2,163,700 ft BM
④ Piling	1723 misc	2,935,416	2,935,200 ft BM
Total	1,978,464	78,519,451	78,518,900 ft BM

### B Material to be treated - Dec. 1st 1932 to end of contract Dec 31-1936

① Cross ties	785,500 @ 40 ft.	(838,327 - 329,929)	31,425,300
② Sleepers		(81,964 - 3,442,481)	4,000,000
③ Lumber		(48,628 - 1,773,351)	1,200,000
④ Piling	404,600 cu ft	(58617 - 2,461,914)	4,855,000
Total		1,021,536 = 40,647,205	41,480,300
Total Primarily Treated			78,518,900
Total 3,000,000 ties @ 40 ft.			119,999,200

Comparative Costs of Future Treatment  
after Dec. 1st 1932 - various propositions

1978464

1021536

3000000 ties

✓

# Materials used

	1927	1928	1929	1930	1931	1932
① Ties no	176,045	468,231	405,893	262,784	223,030	203,102
② " <i>ft</i>	7,156,107	18,576,498	15,985,271	10,278,167	8,496,532	8,045,319
③ Switches <i>ft</i>	595,617	1,063,202	1,262,798	—	1,240,854	719,990
④ Lumber <i>ft</i>	361,162	510,502	300,892	476,645	318,813	195,663
⑤ Piling <i>cu ft</i>	120,403	66,099	19,425	8,366 } 5029	10,597	19,728

	Ties	Switch Ties <i>ft</i>	Lumber <i>ft</i>	Piling <i>cu ft</i>	Lumber <i>ft</i>
1927	176,045	7,156,110	595,617	361,162 ✓	120,403 <i>cu ft</i>
1928	468,231	18,576,498	1,063,202	510,502 ✓	66,099
1929	405,893	15,985,271	1,262,798 ✓	300,892 ✓	19,425 ✓
1930	262,784	10,278,167	—	476,645 ✓	8,366 5029
1931	223,030	8,496,532	1,240,854 ✓	318,813 ✓	10,597
1932	203,102	8,045,319 ✓	719,990 ✓	195,663 ✓	19,728
Total	1,539,085	68,537,897	48,82,461	2,163,677	244,618 <i>cu ft</i> = 2,935,416 <i>ft</i>
1933	108,000		1,000,000		
1934	225,833		1,000		
1935	225,833		1,000		
1936	225,833		1,000		
Total	785,500		4,000,000	1,200,000	160,000
Grand	2,524,585		8882,461	3363677	404,618



## Costs

① Present Contract Costs (31,425,300 \$/BMM)

Total Charges (51,000 \$/BMM per charge) 616

12.7% over 12 hrs period 78 538

Treatment 12 hrs or less @ 6.50 M.

538 charges 27,438,000 \$/BMM 178,347

Treatment over 12 hrs @ 7.65 M

78 charges 3,987,300 \$/BMM

Total

30403  
208750  
6.64

Average cost per \$/BMM

## ② Horvick's Proposal

Treatment 12 hrs or under @ 6.50 M

538 charges 31,425,300 \$/BMM 204,264

Treatment over 12 hrs @ 5.10 per retort hour or fraction thereof

78 Charges x 7 hrs per charge @ 5.10

Total

2,785  
207,049  
6.59

Average cost per M \$/BMM

## ③ Henry Smith's Proposal

Treatment 12 hrs or under

616 charges 31,425,300 \$/BMM @ 6.50

Average Cost per M \$/BMM

204,264  
6.50

ALTERNATES

(1) Cancel all of Sections XVII and XVIII.

Substitute the following:

XVII. The Railway Company agrees to pay to the Creosoting Co. for the services rendered in this agreement the following prices:

- A-1. For the treatment of all cross ties that have been air seasoned, per thousand feet board measure - - - - - \$6.50
- A-2. For the treatment of all cross ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$6.50
- A-3. For time in excess of twelve actual treating hours required for treating material covered by Paragraph A-2 per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- B-1. For the treatment of all switch ties that have been air seasoned, per thousand feet board measure - - - - - \$7.75
- B-2. For the treatment of all switch ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$7.75
- B-3. For time in excess of twelve actual treating hours required for treating material covered by paragraph B-2, per cylinder-per hour (Fractional hours pro rata) - - - - - \$5.10
- C-1. For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 40,000 feet board measure in any one load, either separately or combined with commercial material, per thousand feet board measure - - - - - \$9.00
- C-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph C-1, with the understanding that where material is treated in the same load with commercial material the time over twelve hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the load per cylinder, per hour (Fractional hours pro rata) - - - - - \$5.10



- D-1. For the treatment of all piling, poles and other similar material which requires a time duration not longer than twelve actual treating hours, the Creosoting Co. being given the option of treating quantities of less than 2500 cubic feet in any one cylinder load either separately or combined with commercial material - per cubic foot - - - - - \$0.14
- D-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph D-1, with the understanding that where material is treated in the same load with commercial material the time over twelve hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the load, per cylinder per hour (Fractional hours pro rata) - - - - - \$5.10
- D-3. Where the quantity of material to be treated in any one load is less than 2500 cubic feet the Creosoting Company is given the further option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which shall not exceed the price that would have been paid if the piles had been treated in accordance with paragraphs D-1 and D-2.
- E-1. In cases where it is found, on account of unseasoned conditions of material, or other conditions not the responsibility of the Creosoting Co., an unsatisfactory treatment has been obtained and the Railway Co. inspector considers it advisable to segregate and retreat all or any portion of cylinder loads of ties or other material, it shall be done at the following rates for each retreatment in addition to prices mentioned above in this Section XVII.
- (a) Two cents (2¢) for each cross tie retreated.
  - (b) Two dollars (\$2.00) per thousand feet board measure for switch and bridge ties, dimensioned timbers, lumber and other similar material retreated.
  - (c) Two cents (2¢) per cubic foot for piling, poles and other similar material retreated.
- It is understood that entire cylinder charges returned for continuation of treatment without segregation of any part of the material shall not be considered as coming under the provisions of this E-1.
- E-2. For storage of treated cross ties after treatment and subsequent loading on cars, in addition to prices A-1-2-3 per tie - - - - - 1¢
- E-3. For unloading treated switch ties from trams, storing in yard, stacking lengths separately and reloading in accordance with Railway Company's instructions for shipment, per thousand feet board measure - - - - - 60¢

E-4. For incising sawed material other than cross ties and switch ties including all handling not included under paragraphs C-1-2, necessary to accomplish it, per thousand feet board measure - - 40¢

E-5. For other handling at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1-2-3 and B-1-2-3 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant, boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under paragraphs C-1-2 and D-1-2-3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to treating cylinders, treating and loading from trams on to railroad cars. The prices in paragraphs A-B-C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, paragraphs C-1 and D-1, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

When the finished material is furnished by the Creosoting Company from its stock, it shall be credited to the material which the Railway Company shall have treated as required in Section II of this Contract.



## Alternate 5

(A)

A-1 For the treatment of all cross ties that have been air seasoned, per thousand feet board measure \$6.50

A-2 For the treatment of all cross ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - \$6.50

A-3 For time in excess of twelve actual treating hours required for treating material covered by paragraph A 2 per cylinder \$5.10 per hour (fractional hours pro-rata)

B-1 For the treatment of all switch ties that have been air seasoned, per thousand feet board measure \$7.75

B-2 For the treatment of all switch ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours per thousand feet board measure \$7.75

B-3 For time in excess of twelve actual treating hours required for treating material covered by paragraph B-2, per cylinder - per hour [Fractional hours pro-rata] \$5.00

C-1 For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Cuscuting Company being given the option of treating quantities of less than 40,000 ft BM in any one load, either separately or combined with commercial material per thousand feet board measure \$9.00

C-2 For time in excess of twelve actual treating hours required for treating material covered by paragraph C-1, with the understanding that when material is treated in the same load with commercial material the time over twelve hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material



(2)

of each bears to the total volume in the  
load per cylinder, per hour (Fractional hours  
pro rata) <sup>\*510</sup>



N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

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M.

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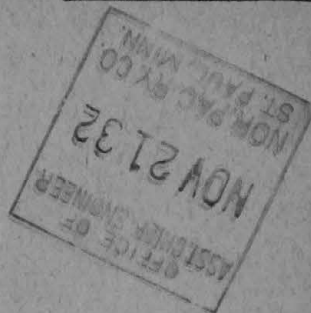
PARADISE NOV 19-32 L YAGER

STPAUL

WILL COME TO STPAUL NEXT TUESDAY AM

A J LOOM

146 PM





MEMORANDUM:

Mr. A. J. Loom:

You received copy of Mr. Lowry Smith's letter to me November fifteenth. How soon would you be in position to come to St. Paul to discuss all related matters in connection with this subject, particularly as suggested in my memorandum of November seventh?

L. Yager

St. Paul, Nov. 18, 1932w

St. Paul, Minn., Nov. 15, 1932

NOV 17 32  
ASSISTANT ENGINEER  
OFFICE OF  
PACIFIC COAST  
TIMBER, MINN.

Mr. L. Yager:

Referring to the proposed adjustment of the Seattle timber treating contract.

Mr. Horrocks in his letter to you of September 29th accepts \$6.50 the rate per MFBM for treating ties as a fair base to which the other materials are to be equated, and also accepts the rate of \$5.10 per cylinder hour proposed for overtime.

I will start with the \$6.50 rate and its corresponding cylinder load volume of 51,000 FBM and make such comments and suggestions for each class of material as seem appropriate.

Section XVII of the contract covers the prices to be paid for treating, and all paragraphs pertaining to payment that I refer to are parts of this section.

#### Cross Ties

Paragraph A-1 fixes the rate for cross ties which do not require longer than 12 hours to treat at \$6.50 per MFBM. As our ties are all air seasoned, it is very seldom that the treating period exceeds 12 hours, and it is quite frequently less. I believe it would be fair to make a flat rate for seasoned ties with no allowance for overtime.

For ties requiring artificial seasoning, the same base rate would apply for the first 12 hours, after which overtime would be paid.

I recommend that paragraphs A-1, 2 and 3 be cancelled and the following substituted:



Mr. Yager, #2

(A-1). For the treatment of all cross ties that have been air seasoned, per thousand feet board measure - - - - - \$6.50

(A-2). For the treatment of all cross ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$6.50

(A-3). For time in excess of twelve actual treating hours required for treating material covered by paragraph A-2, per cylinder - per hour (fractional hours pro-rata) - - - - - \$5.10

These changes may possibly result in a very small saving under the present conditions. If by any chance we should treat a lot of green material the saving might be of considerable moment due to change in method of overtime payment.

#### Switch Ties

Mr. Horrocks says he is willing to set up a price for switch ties based on cross-ties. The average load of switch ties he says is 49,000 FBM. Equating to the cross tie base of 51,000 FBM @ \$6.50 will give a rate on the load volume basis of \$6.75. It is claimed that the extra handling of switch ties is worth \$1.00 per MBM more than for cross ties. This would raise the rate to \$7.75. Mr. Horrocks adds 25¢ per MBM for incising. I do not agree, as the base rate of

Mr. Yager, #3

of \$6.50 per MBM for cross ties includes incising and it would not be proper to add a charge for incising to a rate equated to that base unless the charge for incising included in the base was first deducted.

I believe \$7.75 is a fair rate for seasoned material, and I recommend that new prices be inserted in the schedule as follows:

B-1 For the treatment of all switch ties that have been air seasoned, per thousand feet board measure \$7.75

B-2 For the treatment of all switch ties that require artificial seasoning as part of the process of treating and which require a time duration not longer than twelve actual treating hours, per thousand feet board measure - - - - - \$7.75

B-3 For time in excess of twelve actual treating hours required for treating material covered by paragraph B-2, per cylinder - per hour (fractional hours pro-rata) - - - - - \$5.10

Assuming that in the future we would treat about 1,000,000 FBM of switch ties per year the affect of the changes proposed should be about as follows

Present rate 1,000,000 FBM @ \$9.00	\$9,000
Proposed " 1,000,000 " @ 7.75	<u>7,750</u>
Saving per year	\$1,250



Mr. Yager, #4

Lumber.

The average possible cylinder load of lumber should be about 40,000 FBM. Equating to the cross tie base of 51,000 FBM @ \$6.25 (deducting 25¢ per MBM for incising) will give a rate on the load volume basis of \$7.95 per MBM to which should be added \$1.00 per MBM for additional handling cost making a total of \$8.95. The present base price is \$9.00 per MBM.

Our orders have been placed in such a manner that the average cylinder load has been only about 16,000 FBM, and it would be unfair to expect individual loads of this size to be treated at the same price as loads approximating the cylinder capacity. Equating for loads of various sizes would produce prices as follows:

16,000 FBM	=	\$19.90	plus	\$1.00	for handling	\$20.90	
20,000	"	"	15.95	"	1.00	"	16.95
25,000	"	"	12.75	"	1.00	"	13.75
30,000	"	"	10.60	"	1.00	"	11.60
35,000	"	"	9.10	"	1.00	"	10.10
40,000	"	"	7.95	"	1.00	"	8.95

While equating to the cross tie base in the case of the average possible load of 40,000 FBM produces a price slightly under the present of \$9.00, naturally as the loads decrease the price increases until terminating with our average of 16,000 FBM, it, at least from our point of view, becomes unreasonable. From the point of view of the treating company, if it were operating at anything like capacity, it would be unreasonable to expect it to treat fractional loads

Mr. Yager, #5

at the same rate as full loads assuming, of course, that the price was fair to start with.

In recognition of these conditions Mr. Horrocks has proposed a compromise which is as follows:

He says that most of the material will treat in 18 hours, and proposed to make a flat rate of \$13.05 for loads of 30,000 FBM or less; provided that he be given the option of treating such orders separately or mixed with commercial business. His method of building up the charge is -

The equated rate for 30,000 FBM loads is \$11.05 plus \$1.00 for handling, a total of \$12.05 for the first 12 hours. Overtime for 6 hours at \$5.10 would be \$1.00 per MBM, which added to the \$12.05 totals \$13.05.

This figure should be revised to \$12.62 to eliminate the charge for incising which should not be included.

Under the present prices we would pay \$12.00 per MBM for an 18 hour treatment. The increase proposed is small, but we would relinquish having our material <sup>handled</sup> separately. For loads over 30,000 FBM, Mr. Horrocks proposes a rate of \$10.45 per MBM plus overtime. This is the equated charge for a 35,000 FBM load without deducting the charge for incising. Making this deduction would reduce the amount to \$10.10.

The arrangement proposed by Mr. Horrocks, as far as we are concerned, would result about as follows, assuming



Mr. Yager, #6

that we would require about 350,000 MBM of lumber treated annually:

Present rate 350,000 MBM @ \$12.00	\$4200
Proposed " 350,000 " @ 12.62	<u>4417</u>
Increased cost per year	\$ 217

As most of our orders are in quantities that will make loads less than 30,000 FBM, I have used the flat rate for the entire quantity.

Mr. Horrocks plan would result in increasing our cost. We are trying to get our costs lowered if it can be done without incurring undue sacrifice on the part of any of the interested parties.

The present contract lumber base rate of \$9.00 is, I think, amply high, and in fact it is difficult to justify it when comparing it with the cross tie rate, except by allowing \$1.00 per MBM for additional handling costs, which I consider very liberal.

I do not think the present overtime rates can be justified on any grounds.

In spite of these points, if we are to be consistent we cannot expect to have small individual loads treated at the same price as full loads, and in view of the fact that the price for the equated load of 40,000 FBM figures \$8.95 as against the present price of \$9.00, I believe it would be just as well to concede the treating of any quantity of

Mr. Yager, #7

material under a maximum load with commercial material, at the option of the Creosoting Company, at the base rate of \$9.00 per MBM for a twelve hour treatment and pay overtime beyond that period on the cylinder hour basis.

I believe that the \$9.00 rate is quite adequate and that conceding the Creosoting Company the privilege of treating our material with commercial material compensates for any loss to it due to the change in the overtime charge.

The result of such an arrangement on the cost per MBM as compared with the one now in force would be about as follows for a load of 40,000 FBM.

<u>Duration of Treatment</u>	<u>Present</u>	<u>Proposed</u>
12 Hours	\$ 9.00	\$9.00
18 "	12.00	9.76
24 "	12.00	10.53
30 "	15.00	11.29
36 "	15.00	12.05

With a load of 35,000 FBM, which might be nearer the average, the difference would be -

<u>Duration of Treatment</u>	<u>Present</u>	<u>Proposed</u>
12 Hours	\$ 9.00	\$ 9.00
18 "	12.00	9.88
24 "	12.00	10.76
30 "	15.00	11.64
36 "	15.00	12.52

The increased cost is due to spreading the same overtime charge over a smaller load.

I recommend that paragraphs B-1, 2, 3, 4, 5 and 6 be cancelled and the following substituted:



Mr. Yager, #8

C-1. For the treatment of all sawed material other than cross ties and switch ties which require a time duration of not longer than twelve actual treating hours, the Creosoting Company being given the option of treating quantities of less than 40,000 FBM in any one load, either separately or combined with commercial material per thousand feet board measure - - - - - \$9.00

C-2. For time in excess of twelve actual treating hours required for treating material covered by paragraph C-1, with the understanding that where material is treated in the same load with commercial material the time over twelve hours will be pro-rated between the Railway Company and the commercial material in the proportion that the volume of the material of each bears to the total volume in the load, per cylinder, per hour (fractional hours pro-rata) \$5.10.

Assuming in the future we would have about 350,000 FBM of lumber treated per year the effect of the changes proposed should be about as follows, based on an 18 hour treatment.

Present rate	350,000 FBM @ \$12.00	\$4200
Proposed	" 350,000 " @ 9.88	<u>3458</u>
Saving per year		\$ 742

#### Piling

The average possible cylinder load of piling should be about 2,500 cubic feet or 30,000 FBM. Equating to the cross tie base of 51,000 FBM @ \$6.25 (deducting 25¢ per MBM

Mr. Yager, #9

for incising) will give a rate on the load volume base of \$10.65 per MBM, to which should be added \$1.00 per MBM for additional cost of handling, making a total of \$11.65 per MBM, or \$.14 per cubic foot which happens to be the contract price for a 12 hour treatment.

As was in the case with lumber, our orders have been placed in such a manner that the average cylinder load has been only about 1800 cubic feet and it would be unfair to expect individual loads of this size to be treated at the same price as loads approximating the cylinder capacity.

Equating for loads of various sizes would produce prices as follows:

1800	cu. ft.	per load	-	\$.189	per cu. ft.
2000	"	"	"	.171	"
2200	"	"	"	.158	"
2500	"	"	"	.140	"

As in the case of lumber, as the loads become smaller, the cost increases out of reason.

Mr. Horrocks proposes that all loads of 2500 cu.ft. or more be treated and paid for under the present arrangement except that overtime be charged for on the cylinder hour basis and that for quantities of less than 2500 cu. ft. he be given the option of furnishing from stock or treating with commercial work.

If the figure of 2500 cu. ft taken as an average possible load is approximately correct the plan of Mr. Horrocks means that we will buy practically all piling from stock. I am



Mr. Yager, #10

not prepared to pass on the desirability of such a result, although I am under the impression that it would not be at all objectionable.

How the present and the proposed prices would work out on charges of 2500 cu. ft. is shown by the following:

<u>Duration of Treatment</u>	<u>Present Price</u>	<u>Proposed Price</u>
12 Hrs	\$ .14	\$.14
24 "	.20	.1644
36 "	.26	.1888
48 "	.32	.2136
60 "	.38	.2380

The prices shown under the proposed rates are for the minimum load and will consequently be the highest under the arrangement, however, there is a material saving indicated and commercial prices would not exceed our highest rate.

I believe the plan proposed by Mr. Horrocks is fair and recommend that the following revisions be made in the schedule.

That paragraphs C-1, 2, 3, 4, 5 and 6 be cancelled and the following substituted:

D-1. For the treatment of all piling, poles, and other similar material which require a time duration not longer than twelve actual treating hours, per cubic foot (except as otherwise provided hereinafter) - - - - - \$.14

D-2. Where the quantity of material to be treated in any one load is less than 2500 cubic feet the Creosoting Company is given the option of furnishing finished piles, only, that will meet the Railway Company's requirements, from its stock at its current commercial price, which

Mr. Yager, #11

shall not exceed the price that would have been paid if the piles had been treated in accordance with the terms of the contract; or treating under the terms of this contract, except that the treatment may be done at the convenience of the Creosoting Company either separately or with a commercial charge.

D-3. For time in excess of twelve actual treating hours required for treating material covered by paragraphs D-1 and 2, with the understanding that where material is treated in the same load with commercial material the time over twelve hours will be pro-rated between the Railway and commercial material in the proportion that the volume of the material of each bears to the total volume in the load, per cylinder, pr hour (fractional hours pro-rata) - - - - \$5.10

Assuming in the future that we would have about 25,000 cubic feet of piling treated which would require about 24 hrs. for treating, the cost would be about as follows as compared with the present.

Present 25000 cu. ft. @ \$.20	\$5000
Proposed 25000 " @ .1644	4110
Saving	<hr/> \$ 890

Paragraphs D-1 and 2 should become Paragraphs E-1 and 2. Paragraph D-3 should be cancelled and the following substituted.

E-3. For incising timbers including all handling not included under Paragraphs C-1, 2 and 3, necessary to accomplish it, per thousand feet board measure - - - \$ .40



Mr. Yager, #12

E-4. For other handlings at the plant site, framing of timber, etc., as from time to time may be requested in writing by the Railway Company, shall be paid for at rates mutually agreed upon, plus 10% to cover supervision and profit.

If the changes I have outlined should be put into effect it will be necessary to revise Section XVIII to correspond as follows:

Section XVIII. It is understood and agreed that the prices quoted under Section XVII, Paragraphs A-1, 2 and 3, and B-1, 2 and 3 cover the unloading from railroad cars or barges, handling to the seasoning yard or to treating trams before treatment, moving them to boring, adzing and incising plant; boring, adzing and incising cross ties and incising switch ties only; moving to cylinders, treating them and loading them from trams to railroad cars; and further that prices quoted under Paragraphs C-1 and 2, and D-1, 2 and 3 cover unloading material from railroad cars or barges and rafts, handling to seasoning yard or to trams, moving to the treating cylinders, treating and loading from trams on to railroad cars. The prices in Paragraphs A, B, C and D apply to treatment of both air seasoned and artificially seasoned material.

The "actual treating hours" are considered to be the actual normal time occupied while the ties or other materials are in the cylinders in the process of treatment as shown by the treating records. Delays caused by failure

Mr. Yager, #13

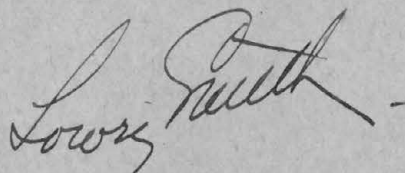
of the Creosoting Company's equipment, low steam pressure, etc., shall be deducted when computing overtime charges.

Where material of the Railway Company is treated in the same load with commercial material as provided for in Section XVII, Paragraphs C-1 and D-2, the Railway Company's stock of preservatives shall be charged with the calculated quantity required to treat its portion of the mixed load.

Where finished material is furnished by the Creosoting Company from its stock it shall be credited to the material which the Railway Company shall have treated as required in Section II of this contract.

If the changes that I have suggested are made and we continue to have about the same quantity of material treated in the future that we have in the past, the indications are that we will save about \$2882 per year and I believe it can be accomplished without any hardship to the Creosoting Company.

While I used the load volume for some measure of comparing prices I could only reach the contract figures for material other than cross ties by allowing additional handling costs to a degree that I do not believe exists. I am quite sure the Creosoting Company in negotiating the contract discounted the probability of having quite a percentage of short loads.



Office Engineer

cc A.J.Loom



MEMORANDUM:

Mr. A. J. Loom:

As I recollect it, you told me you had taken copy of Mr. Horrocks' letter outlining his suggestion for revision of Seattle treating contract. I have asked Mr. Smith to write this up in contract form for the purpose of suggesting substitution for the same items in the present contract. In the meantime I wish you would go through your record of treatment under the present contract for as many years as you can conveniently work up, and determine how much the revised proposal would affect our cost for each item.

L. Yager

St. Paul, Nov. 7, 1932w

cy Mr. Lowry Smith

Brainerd, Minn., Oct. 31st, 1932.

NOV - 1 1932  
OFFICE OF  
ASSISTANT  
ENGINEER  
BRAND

MR. L. YAGER:

In compliance with your letter of October 7th, with reference to Mr. Horrocks' letter of September 29th, I have reviewed the proposal for a revision in our present contract with the West Coast Wood Preserving Company.

Mr. Horrocks' letter suggests to me only two points which in my opinion would be of any interest to us in our consideration of a revision:

1st - The reduction in rates covering switch ties.

2nd - Elimination from contract of all materials except cross ties and switch ties.

It is very evident that Mr. Horrocks has used Mr. Lowry Smith's report as a basis for his proposed revision. This is not quite fair when we consider that in addition to the two large retorts of capacity used in Mr. Smith's calculations, the Colman plant is equipped with four cylinders of only 36% this capacity and one smaller retort which holds only about 2500 F.B.M. The contractor's Eagle Harbor plant retorts are 20% smaller in capacity than the basis of Mr. Smith's report. They will hold only about 41,000 F.B.M., but in spite of this, green treatment of Milwaukee ties is carried on in these smaller retorts in time periods of from 16 to 24 hours at a cost to the Milwaukee which is approximately the same as we pay for treating air seasoned ties. The West Coast Wood Preserving Company's commercial prices are the same to all customers regardless of the amount of material. As far as I know there are no variations in these prices and no penalties for small orders which in many cases must necessarily amount to less than full retort charges.

The present prices to outside parties do not tend to verify Mr. Horrocks' statement that they are not receiving adequate compensation for treatment of lumber under our contract. At present their commercial rates are all apparently slightly lower than our contract rates, so unless they can justify an entirely different set-up of overhead figures for use in our case, it seems to me their prices to others should be higher.

To avoid paying proportionately higher rates under the contract, we have already taken advantage of Mr.

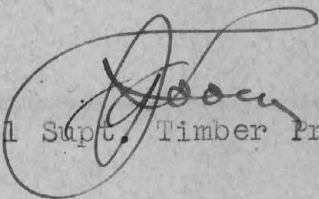


#2---L.Y.

Horrocks offer to sell us treated piling at their commercial rates, and the cubiture has been credited to us the same as if treated under the contract.

Unless a more satisfactory agreement can be made, present circumstances indicate that we would be better off if our lumber could be handled in the same manner as Mr. Horrocks proposes for small quantities of piling.

Mr. Horrocks proposal will not result in any advantage to us over the present arrangement except as it relates to switch ties. I believe he will agree to the adjustment of switch tie rates on the basis of Mr. Smith's report and still allow us to continue under our present agreement and arrangements for the balance of material treated. If so, in my opinion this is all we can expect at this time.

  
Gen'l Supt. Timber Preservation.

Cy.-L.S.  
G.R.H.

On #4 Rocky Mountain Division

October 7, 1932w

Mr. A. J. Loom:

I am handing you herewith Mr. Horrocks' letter of September 29 and copy of my letter to him today having to do with our discussion with him last July as to our treating contract with his company. Will you kindly review this matter at your convenience, consulting with Mr. Lowry Smith and myself, so that we may determine what if any action we should take on his proposal.

Assistant Chief Engineer.

by Mr. Lowry Smith



ON LINE, October 7, 1932w

Mr. H. E. Horrocks  
Manager  
West Coast Wood Preserving Co.  
1118 4th Avenue at Seneca  
Seattle, Washington

Dear Mr. Horrocks:

Your letter of September 29 concerning our discussion about our contract with your company has just reached me enroute from Seattle to Saint Paul. I am just returning from a considerable extended stay in the west in connection with other matters. I was not unmindful of this subject of mutual interest, but I did not desire to take up the time for a discussion of this subject during that visit as I had in mind the necessity of returning to the Coast in the near future. In the meantime I am asking Mr. Loom to review your letter with Mr. Smith and will then arrange to communicate with you, or perhaps preferably discuss such phases of the subject as may require that action on my next trip to Seattle.

Yours very truly,

cy -

Mr. A. J. Loom

# WEST COAST WOOD PRESERVING Co.

CREOSOTED DOUGLAS FIR IN ALL FORMS  
RAIL AND CARGO SHIPMENTS

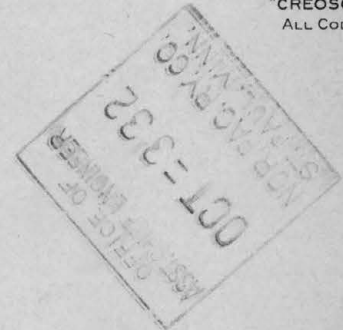
SUCCESSOR TO  
COLMAN CREOSOTING PLANT  
PACIFIC CREOSOTING PLANT

1118 4TH AVE. AT SENECA ST.

SEATTLE, U.S.A.

September 29, 1932.

CABLE ADDRESS  
"CREOSOTE"  
ALL CODES



Mr. L. Yager, Asst. Chief Engineer  
Northern Pacific Railway Co.  
St. Paul, Minnesota

Dear Mr. Yager:

QUOTATIONS SUBJECT TO CHANGE WITHOUT NOTICE. ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ACCIDENTS OR OTHER DELAYS UNAVOIDABLE OR BEYOND OUR CONTROL. MATERIAL SUBJECT TO FINAL ACCEPTANCE AT OUR PLANTS. MAY BE INSPECTED BY MUTUALLY SATISFACTORY PARTIES.

We have not been forgetful of your visit in Seattle at which time you left with us copy of Mr. Smith's report to Mr. Blum and Mr. Hopkins' comments on same with reference to the contract which was made between your company and the J. M. Colman Company, which contract was afterward assumed through mutual consent by this present company. We have not hurried in consideration of the points raised by Mr. Smith and Mr. Hopkins since we understood from you there was no immediate rush about the matter, and we wished to study the subject from the standpoint, not only of our own, but of your company's interest. We, on most points, agree with Mr. Smith's analysis. Our study of the matter, however, has resulted in ideas that in some measure do modify his conclusions and and below we express to you what we consider to be a fair method of modifying the contract to make it more equitable and to simplify its application.

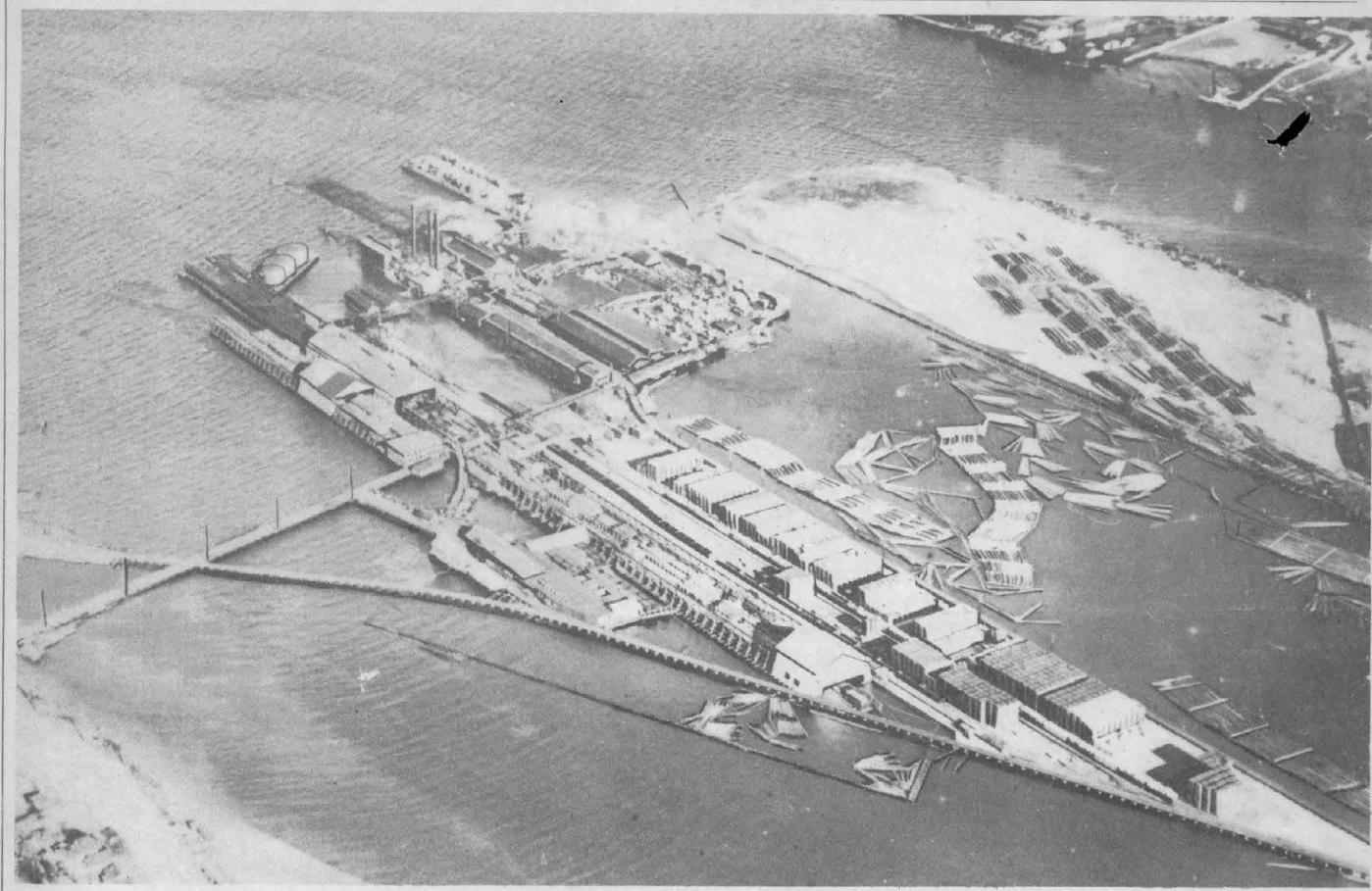
## TREATMENT OF CROSS TIES

Schedule A-1 names a price of \$6.50 per M'BM to cover treatment requiring not more than 12 hours. Since the contract was based primarily on treatment of cross ties, we believe it fair to accept \$6.50 as a basic price and 51000'BM as basic retort charge covering a treating period not exceeding twelve hours for cross ties, switch ties and sawn timber other than switch ties. To this basic charge must be added additional compensation to cover excess costs of handling switch ties and other sawn timber over such costs of handling cross ties only.

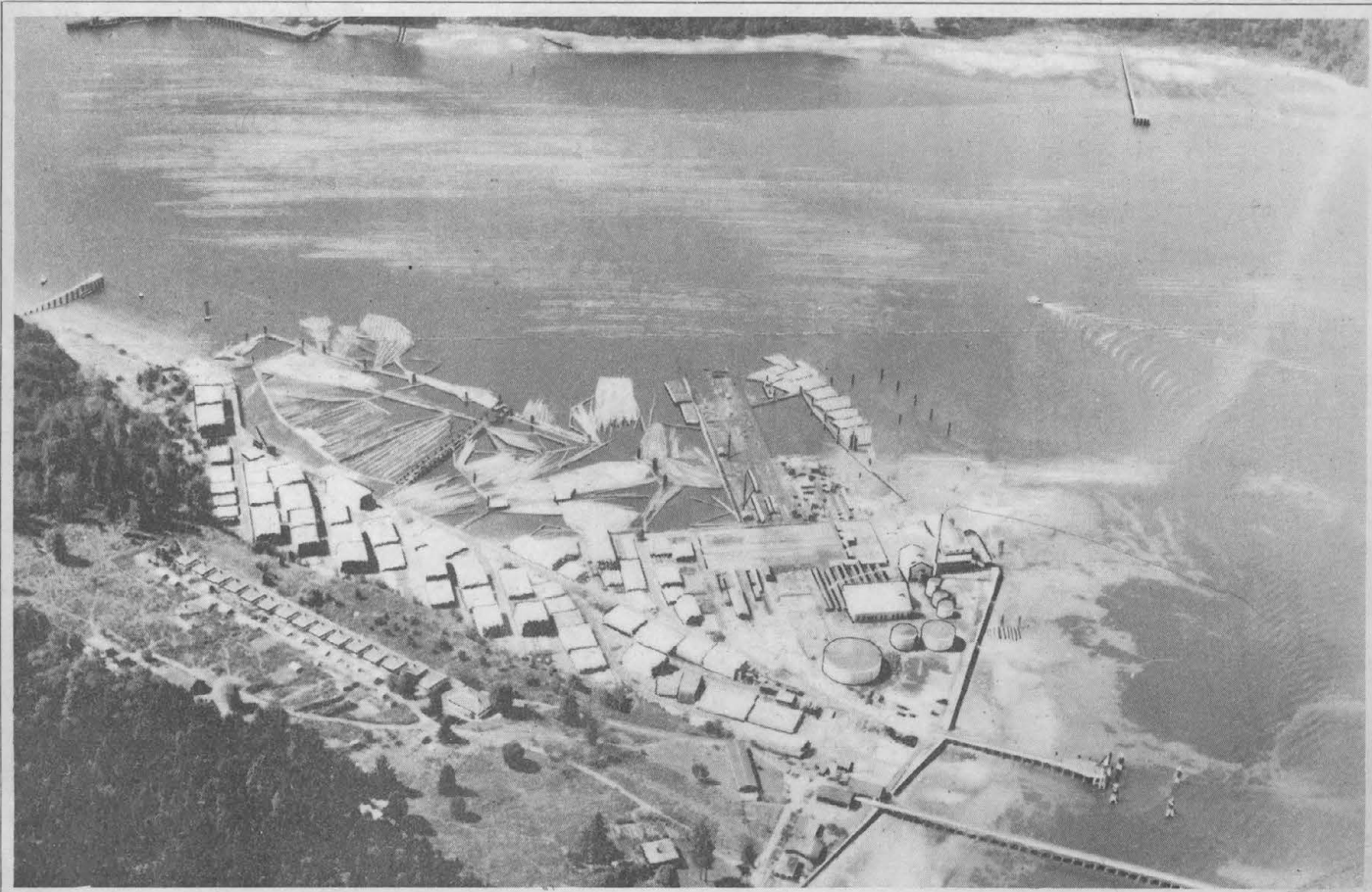
Schedule A-2 appears to us to be rather ambiguous in meaning and should be eliminated.

We agree with Mr. Smith's suggestion that it appears inequitable that treatment exceeding twelve hours should be charged for at a flat price for each additional twelve hours or fraction thereof, which means if literally interpreted that this flat price per M'BM would be charged if treatment exceeded by only one minute the first twelve hour period. It would be





AERIAL VIEW OF MANUFACTURING PLANTS



acceptable to us to modify the contract in this particular to provide for a charge of \$5.10 for each retort hour or fraction thereof in excess of the first twelve hour period; this rate being applicable to all classes of material.

#### TREATMENT OF SWITCH TIES

*Done*  
*OK*  
*with*  
*49 m*  
*in*  
*average*  
*load.*

Schedule B-1 provides that \$9.00 per M'BM be paid for treatment not requiring more than twelve hours applied to switch ties, bridge ties and other sawn timber products. We believe switch ties should be considered by themselves. Mr. Smith's analysis indicates his opinion that for switch ties the basic charge of \$9.00 per M'BM for the first treating period not exceeding twelve hours, is too high. He works out a definite price using for the purpose of calculation an average content of treating charge 50,000'BM. Our records for 1928, 1929, and 1931, (no switch ties treated in 1930) shows in round figures that the average charge was 49,000'BM. Using our records for the purpose of adjustment and considering \$6.50 per M'BM paid for cross ties for the first twelve hour period as being fair, we have, by the same method of calculation used by Mr. Smith, a comparable charge for treating switch ties, \$6.75 per M'BM for the first treating period of not to exceed twelve hours. Handling of switch ties is in all cases more expensive than for cross ties. A fair additional allowance, in our opinion, would be \$1.00 per M'BM. Incising of switch ties was not originally contemplated but is now standard practice and we believe we should receive 25¢ per M'BM to cover this operation. Combining these items we have a complete price covering the first treating period of not to exceed twelve hours for switch ties, \$6.75 plus \$1.00 plus \$0.25, equalling \$8.00 per M'BM, which will be acceptable to our company.

*no*

*5*  
*75-*  
*enough.*

The basic rate of \$5.10 per retort hour or fraction thereof for treatment exceeding twelve hours should be paid in addition to this \$8.00 per M'BM.

#### TREATMENT OF SAWN TIMBER OTHER THAN CROSS TIES AND SWITCH TIES

Schedule B-1 provides \$9.00 per M'BM for the first treating period not exceeding twelve hours. Schedules B-2 to B-6 inclusive, provide compensation of \$3.00 per M'BM for each succeeding twelve hour period or fraction thereof.

Orders for such material have been intermittent and variable in volume, each order, in general, requiring prompt treatment, making it, in most cases, impossible to assemble orders so as to build up substantial retort charges.

Our records show the average of individual charges treated during 1930 and 1931 was 24,900'BM, and the average treating time as nineteen hours ten minutes. Many of the individual orders required to be treated at once called for but a few thousand board feet.

It is safe to say that all of such material in the past has been treated inside 24 hours, and that none of it has been treated in less than twelve hours. This means that the most you have paid has been \$12.00 per M'BM.



We are entitled to the same revenue from the use of a retort for treating lumber as for treating cross and switch ties. We feel we are also entitled to compensation for the additional cost of handling lumber as compared with cross ties and that this additional cost is fully as great as in the case of switch ties, which we agree is \$1.00 per M'BM.

On the above basis, the cost per M'BM for the first twelve hour period of various retort charges would be:

Retort Charge	Treatment	Add'l. Handling Cost	Total per M'BM
20,000' BM	\$16.55 plus	\$1.00	= \$17.55
25,000' BM	\$13.25 "	\$1.00	= \$14.25
30,000' BM	\$11.05 "	\$1.00	= \$12.05
35,000' BM	\$ 9.45 "	\$1.00	= \$10.45

To the above would be added 50 cents per M'BM for incising, if desired.

We believe this class of material can be treated on an average in eighteen hours. On this basis the cost for the use of retorts in excess of twelve hours would be:

20 M'BM retort charge	\$1.50 per M'BM
25 M'BM " "	\$1.20 " "
30 M'BM " "	\$1.00 " "
35 M'BM " "	\$0.85 " "

It is apparent we have not been receiving for treatment of lumber adequate compensation for use of our plant when we use earnings from treatment of cross ties as a yard stick. At the same time, the above calculated compensations due us per M'BM of retort charges under 30 M'BM appear excessive.

We suggest that for quantities of 30 M'BM and less, we be paid \$12.05 plus \$1.00 per M'BM for time in excess of twelve hours or a total of \$13.05 per M'BM, and that we have the option of treating such orders separately or mixed with commercial business. For quantities in excess of 30 M'BM per retort charge, we should receive \$10.45 per M'BM plus compensation for time consumed in excess of twelve hours at the rate of \$5.10 per retort hour or fraction thereof.

In the cases where your orders are combined with our commercial business, your creosote stock would be charged with the calculated quantity of creosote required to treat your portion of the retort charge.

#### TREATMENT OF PILING

In recent years your requirements have generally been in small lots. At times you have paid us our current commercial price for creosoted piling, particularly where the quantities were small. In such cases you have received credit for the cubature involved, the same as would have been the case with

orders treated under the terms of the contract.

We believe it best that where quantities are 2500 cubic feet or more, treatment should be paid for as per the terms of the contract except that time in excess of the first twelve hour period be paid for at the rate proposed for other materials of \$5.10 per retort hour or fraction thereof.

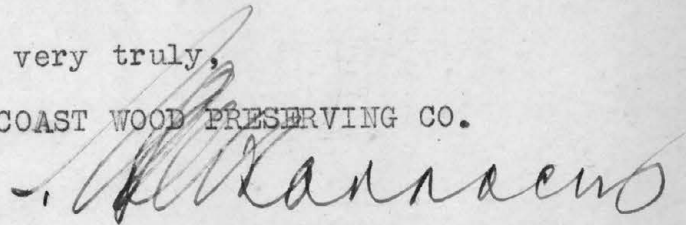
Where treatments of less than 2500 cubic feet per charge are involved, we should have the option of selling you finished piles at our current commercial price or proceeding under the terms of the contract, we treating as suits our convenience, separately or mixed with a commercial charge. Should we sell you the finished pile, the cubiture involved would be credited to you. Should we treat your material mixed in commercial charges, the basic charge of \$5.10 per retort hour or fraction thereof in excess of the first twelve hour period would be pro-rated between your material and ours on the basis of total cubiture in the particular retort charge. In this instance, also, your creosote stock would be charged with the calculated quantity of creosote required to treat your portion of the mixed retort charge.

We have endeavored to give this problem our most careful consideration and also keep in mind the fair interests of both parties to the contract. If you do not agree with our analysis in any particular, or have suggestions to offer that will simplify operations under the contract, you will, of course, in due time give us your counter ideas.

Yours very truly,

WEST COAST WOOD PRESERVING CO.

By



Manager.

HEH:M



## SPECIFICATIONS FOR INCISING DOUGLAS FIR

### 1. General Requirements

Sawn material shall be incised in a Greenlee machine or equal, equipped with power driven rolls designed to incise to a uniform depth and continuity of a predetermined pattern.

All material measuring three inches or over in thickness by four inches or over in width shall be incised.

Lumber four inches and over in thickness shall be incised on all four faces. Lumber less than four inches thick shall be incised on wide faces only. (There might be danger of splintering the thinner material. Incising of such is not so essential since penetration from opposite directions at corners will afford protection.)

Incising shall be performed in such a manner as to obtain uniform depth of penetration of creosote with a minimum loss in structural strength.

### 2. Shape of Teeth

The shape of the tooth shall conform to a type so designed that the point is sharp and the edges wedge shaped and that upon entering and leaving the wood a separation and spreading of the fiber is accomplished.

### 3. Spacing of Teeth

The spacing of the incising teeth shall conform closely to that shown on the attached diagram.

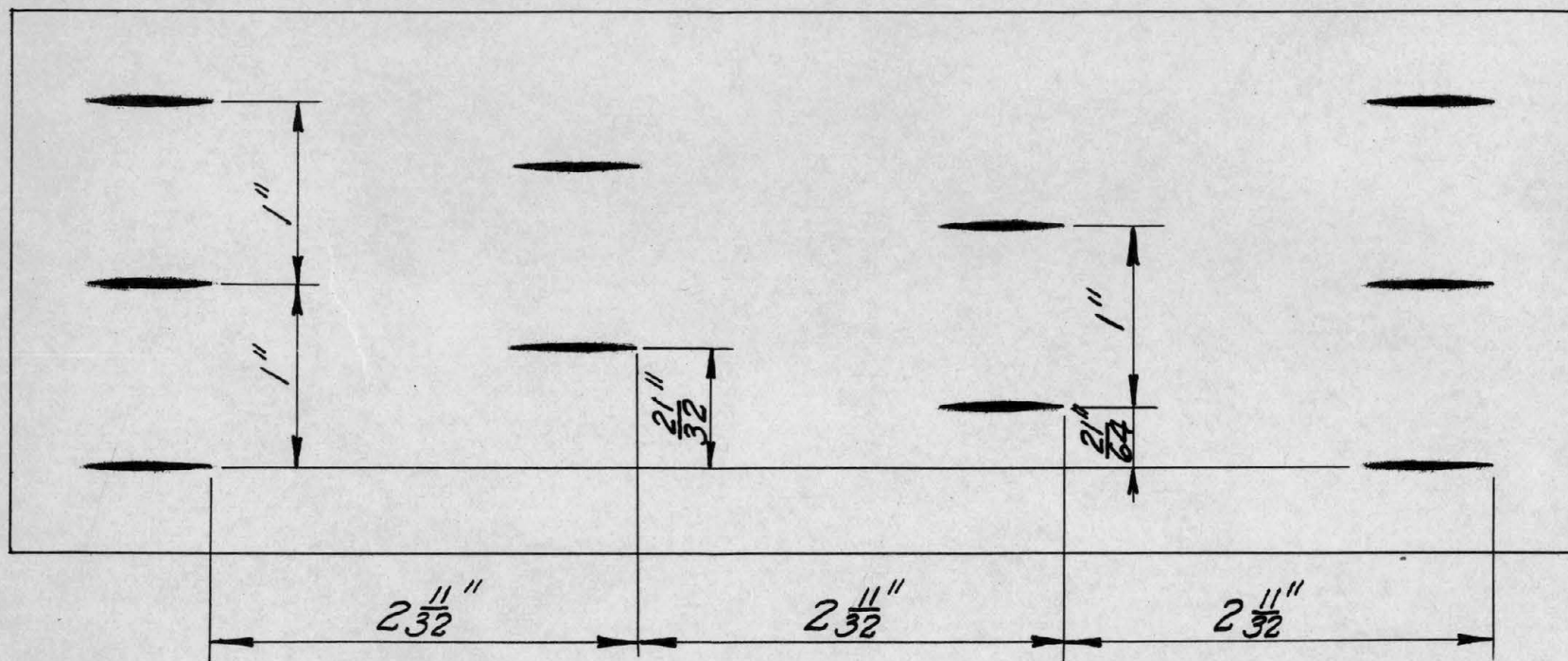
### 4. Depth of Incisions

The depth of the incisions shall be such as to secure a uniform penetration of preservative conforming to the following schedule:

<u>Sizes</u>	<u>Treatment - Lbs. per Cubic Foot of Wood</u>					
	6#	8#	10#	12#	14#	16#
3x12		1/4"	5/16"	3/8"	7/16"	1/2"
4x12		5/16"	3/8"	7/16"	1/2"	9/16"
6x8	5/16"	3/8"	7/16"	1/2"	9/16"	5/8"
8x10	3/8"	7/16"	1/2"	9/16"	5/8"	3/4"
10x12	7/16"	1/2"	9/16"	5/8"	3/4"	3/4"
12x12 and larger	1/2"	9/16"	5/8"	3/4"	3/4"	3/4"

WEST COAST LUMBERMEN'S ASSOCIATION

June 10, 1932.



TOOTH ARRANGEMENT FOR DOUGLAS FIR TIMBER  
INCISOR

Apr. 14, 1932.

West Coast Wood Pres. Co.



Brainerd, Minn., Sept. 9, 1932.

SEP 10 1932  
OFFICE OF  
ASST. CHIEF ENGINEER  
FOREST SERVICE  
U.S. DEPT. OF AGRICULTURE

MR. H. M. SMITH:

Your file 1322. Satisfactory arrangements have been made with the West Coast Wood Preserving Company at Seattle, so we are now prepared to make delivery of treated switch ties from the Seattle plant in the same manner that we agreed on for Brainerd and Paradise.

As mentioned in your letter of July 12th, this should eliminate supply train delivery of treated switch ties entirely.

From present indications we will not start treating at Paradise and Seattle before December 1st or at Brainerd before March 1st, but we have a considerable stock of treated cross ties and switch ties in storage at Brainerd and Paradise which will be applied on 1933 renewal requisitions. This makes it possible for us to start delivery of next years requirements from Brainerd and Paradise before we start treating if it should prove desirable.

As soon as we receive 1933 requisitions, delivery of both cross ties and switch ties from the three treating plants will be planned accordingly to conform with requirements on the various districts.

After the stock now on hand at the various stores is depleted, would it not simplify matters for you if requirements of untreated switch tie material were also handled at the plants in the same manner? It seems to me this would facilitate the filling of requisitions as shipment of all treated and untreated material going to the same points could then be consolidated. I believe it will prove economical and we are prepared to so arrange if it meets with your approval.

Kindly advise.

  
General Supt. Timber Preservation.

Cy BB  
LY

Mr. Blum:

Your letter Sept. 5th. We can now postpone acceptance of Mr. Horrocks' proposition for a couple months if you think be-

At Seattle, Wash.,  
September 5, 1932.



Mr. A. J. Loomis

Your letter of August 30th in regard to accepting proposition of the West Coast Wood Preserving Company of shipping out untreated cross ties in stock and shipping out direct to Roadmasters treated switch ties in small lots.

There is no objection to accepting Mr. Horrocks proposition of 60¢ per M FEM for storing in the yard treated switch ties, stacking the lengths separately and reloading subsequently for shipment to the different Roadmasters.

I did not understand, however, that there was any hurry in accepting their proposition.

BERNARD BLUM

cc Mr. Yager

(W)



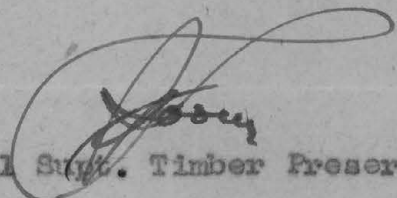
OFFICE OF  
ASSISTANT ENGINEER  
AUG 31 3 22  
NORFOLK & CO  
ST. PAUL, MINN.

Brainerd, Minn., Aug. 30, 1932.

MR. BERNARD BLUM:

Am attaching hereto copy of my wire to Mr. Horrocks in compliance with your letter of August 29th. Bills are made up at the end of the month so a letter would not have reached him in time.

Before writing to Mr. Horrocks I think we should also accept his proposition with reference to extra handling of switch ties involved in our proposed delivery directly to roadmasters as mentioned in my letter of August 25th to Mr. Yager. This was also covered by Mr. Horrocks in the same letter of July 30th.

  
Gen'l Supt. Timber Preservation.

Cy L.Y. ✓

W



N. P. 1386  
12-24

*L. y.* **TELEGRAM—BE BRIEF**

TIME FILED

Brainerd, Minn., Aug. 30, 1932.

H. E. Horrocks,  
Care of C. L. Harding,  
Room 15, Freight Depot,  
Seattle, Wash.

Your price of three and one-half cents per tie for *cross* tie handlings quoted in your letter of July 30th is accepted as of that date and is satisfactory to the Northern Pacific Railway.

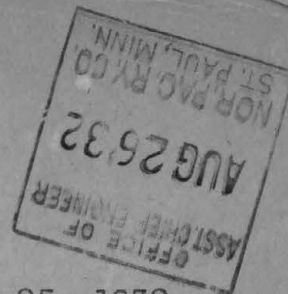
A. J. Loom

OFFICE CLERK

AUG 31 1932

M.





Brainerd, Minn., Aug. 25, 1932.

MR. L. YAGER:

Referring to Mr. Horrocks' letter of July 30th, quoting \$0.60 per M. - F.B.M. for storage and subsequent shipment of treated switch ties to conform with our plan of delivery from the plants directly to roadmasters.

This covers storage and one additional handling not provided for in the contract for handling and treatment of switch ties and, as mentioned in our conversation at Seattle, I believe it to be very fair for the extra work involved.

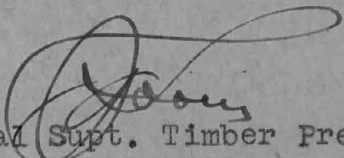
Since our discussion with Mr. Horrocks it is quite possible that in view of the comparatively high rate we pay for treatment of switch ties under the present contract, prices he may agree to make no additional charge for this extra work.

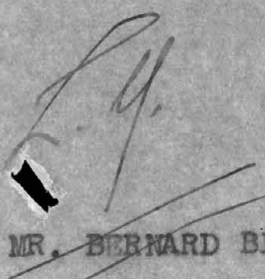
However this may be, I would like to be in position to advise the General Storekeeper that we are prepared to deliver treated switch ties from Seattle in the same manner as we will deliver them from Brainerd and Paradise so he can arrange accordingly.

Regardless of the possibilities for revision in our present contract, I believe we should accept Mr. Horrocks' offer which I am sure will enable us to effect a considerable saving in switch tie delivery.

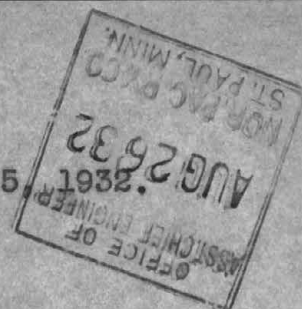
Will you kindly advise?

Cy - BB

  
General Supt. Timber Preservation.

  
MR. BERNARD BLUM:

Brainerd, Minn., Aug. 25,



We are now shipping 13,918 untreated ties from our seasoning stock at Seattle to Yakima for the new engine terminal.

Our contract with the West Coast Wood Preserving Company makes no provision for shipment of untreated ties from the plant and the few previously shipped have been handled at \$1.40 per M.-F.B.M. which is the rate under our special agreement for handling untreated lumber in and out of the seasoning yard.

In view of the recent proposal to use a considerable number of untreated ties from our Seattle stock, it was necessary to obtain permission from the contractor for removing ties from this stock without treatment and also to establish a rate that would be mutually agreeable for handling charges which are not covered by our present contract.

The rate of \$1.40 per M. for handling lumber covers unloading and piling in the yard and reloading for shipment. This, I believe, is fair enough for the two handlings when we consider the odd sizes and numerous small orders, but for similar handling of ties it is much too high as can be readily seen when compared with rates paid at our own plants for the same handlings.

At \$1.40 per M. -F.B.M. the rate per tie is as follows: Grade One - \$0.0333, Grade Two - \$0.0389, Grade Three - \$0.0451, Grade Four - \$0.0522 and Grade Five - \$0.0625.

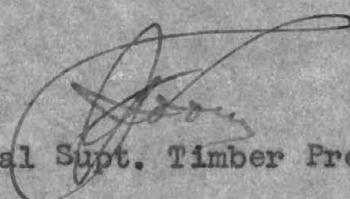
At Paradise we pay \$0.020 for unloading and cross-piling in the yard for seasoning and \$0.014 for loading untreated ties on standard cars, or a total of \$0.0340 each regardless of the size of tie.

After our discussion of this matter at Seattle, Mr. Horrocks wrote me on July 30th quoting a rate of \$0.035 per cross tie, regardless of size, which he states will cover his actual costs plus about 10%, for unloading, crosspiling, yarding and reloading on cars for shipment. Mr. Horrocks' letter, copy of which I am attaching hereto, was turned over to Mr. Yager for his consideration in connection with other matters pertaining to the contract but, as far as I know, no formal acceptance of this new rate has yet been made. There



Mr. Bernard Blum, -- #2.

There has been no hurry about this proposition as the shipment of ties from this stock for use untreated had not been definitely decided, but now that we are actually shipping we should be in position to take advantage of the lower rate quoted by Mr. Horrocks, which in my estimation is the very best we could expect under the circumstances.



General Supt. Timber Preservation.

Cy - LY ✓

C O P Y

WEST COAST WOOD PRESERVING COMPANY

Seattle, Wash., July 30, 1932.

Mr. A. J. Loom,  
Northern Pacific Railway Company,  
Brainerd, Minnesota.

Dear Mr. Loom:

A few days ago you asked us what our charge would be in case you wished to ship out of our Seattle tie yard some of the ties that have been placed on the yard for air seasoning, the idea being that you might care to use a portion of these ties without treatment. Also you asked for the charge covering storage of switch ties after treatment and later loading out from storage in accordance with your current instructions.

In the matter of the untreated ties, to cover the cost to which we have been put in yarding and also the cost of loading the ties out of storage direct to cars to be shipped untreated, we would require to make us whole in our cost plus approximately 10% on that cost, 3-1/2 cents per cross tie, regardless of size. We will be glad to handle your material in this manner for that price.

Concerning the switch ties, we propose to unload from treating trams, store in the yard, stacking lengths separately and reload on your instructions for shipment, at 60 cents per M. BM.

After considering the above proposition, we would be pleased to hear from you if same is accepted.

Yours truly,

WEST COAST WOOD PRESERVING CO.,  
By H. E. Horrocks, Manager.



At Seattle, July 30, 1932w

MR. BERNARD BLUM:

Referring to our several conversations concerning Mr. Lowry Smith's letter to you February 19 concerning contract for tie and timber treatment at Seattle -

This whole subject was covered very frankly in discussion with Mr. Horrocks the other day, who received copy of Mr. Smith's analysis together with subsequent comment by Mr. Loom and Mr. Hopkins. Mr. Horrocks promised to study over this matter and go over it again with us at some convenient time. In view of the way lumber and other material comes in to the plant in small lots for treating, and the fact that our requirements for piling in the future promise to be quite different than in the past, there does not seem to be at this time very much that can be done in an equitable revision of rates or practises. This is in the nature of a progress report on the subject and no action is required at this time.

Assistant Chief Engineer.

cy Mr. Loom

At Seattle, July 30, 1932w

MR. BERNARD BLUM:

Mr. Loom and I had a meeting with Mr. Horrocks a few days ago concerning several matters in connection with our treating contract. We explained our intentions with respect to using ties now in seasoning stock at their plant in track unseasoned for next year's tie renewals. Mr. Horrocks is entirely agreeable to accommodating us in this respect on the basis of performing the necessary service at cost with a small percentage added to insure certainty of avoiding loss and some remuneration for the risk involved. I am now attaching copy of Mr. Horrocks' letter to Mr. Loom today quoting price of 3-1/2 cents per tie. This covers the cost to them for original unloading in their seasoning yard and loading out for shipment. This is entirely reasonable price and compares with our cost of 3/40 cents per tie at Paradise.

Mr. Loom also discussed with him question of shipping out treated switch ties from their plant to fill requisitions on line in order to make the practise here uniform with the two other plants, that is, we now ship out ties from the plant



Mr. Blum, #2

July 30, 1932

to fill requisitions rather than shipping them out ~~en~~ masse to the stores for subsequent distribution by supply trains. This arrangement was developed on our initiative and has received approval of General Storekeepers. This will naturally involve some extra cost to the Seattle plant for which contractor has quoted price of 60 cents per M. BM, entirely reasonable for the service, and will work out to our financial advantage.

At the proper time we should exchange letters putting these rates into effect. I think this, however, can well wait for a while until other matters now under discussion are definitely cleared up.

Assistant Chief Engineer.



At Seattle, July 30, 1932w

MR. BERNARD BLUM:

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July 30, 1932

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Assistant Chief Engineer.

At Seattle, July 30, 1932w

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July 30, 1932

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Assistant Chief Engineer.

WEST COAST WOOD PRESERVING COMPANY

Seattle, Wash., July 30, 1932

Mr. A. J. Loom,  
Northern Pacific Railway Company  
Brainerd, Minnesota

Dear Mr. Loom:

A few days ago you asked us what our charge would be in case you wished to ship out of our Seattle tie yard some of the ties that have been placed on the yard for air seasoning, the idea being that you might care to use a portion of these ties without treatment. Also you asked for the charge covering storage of switch ties after treatment and later loading out from storage in accordance with your current instructions.

In the matter of the untreated ties, to cover the cost to which we have been put in yarding and also the cost of loading the ties out of storage direct to cars to be shipped untreated, we would require to make us whole in our cost plus approximately 10% on that cost, 3-1/2 cents per cross tie, regardless of size. We will be glad to handle your material in this manner for that price.

Concerning the switch ties, we propose to unload from treating trams, store in the yard, stacking lengths separately and reload on your instructions for shipment, at 60 cents per M. BM.

After considering the above proposition, we would be pleased to hear from you if same is accepted.

Yours truly,

WEST COAST WOOD PRESERVING CO.  
By H. E. Horrocks, Manager.

COPY



L. J. COLMAN  
PRESIDENT

L. C. HENRY  
VICE - PRESIDENT

A. D. BARRALL  
SECRETARY - TREASURER

H. E. HORROCKS  
MANAGER

# WEST COAST WOOD PRESERVING Co.

CREOSOTED DOUGLAS FIR IN ALL FORMS  
RAIL AND CARGO SHIPMENTS

SUCCESSOR TO  
COLMAN CREOSOTING PLANT  
PACIFIC CREOSOTING PLANT

1118 4TH AVE. AT SENECA ST.

CABLE ADDRESS  
"CREOSOTE"  
ALL CODES

SEATTLE, U.S.A.

July 30, 1932

Mr. A. J. Loom  
Northern Pacific Railway Company  
Brainerd, Minnesota

Dear Mr. Loom:

QUOTATIONS SUBJECT TO CHANGE WITHOUT NOTICE. ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ACCIDENTS OR OTHER DELAYS UNAVOIDABLE OR BEYOND OUR CONTROL. MATERIAL SUBJECT TO FINAL ACCEPTANCE AT OUR PLANTS. MAY BE INSPECTED BY MUTUALLY SATISFACTORY PARTIES.

*Noted  
S  
7/30-32*

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*3.40*

In the matter of the untreated ties, to cover the cost to which we have been put in yarding and also the cost of loading the ties out of storage direct to cars to be shipped untreated, we would require to make us whole in our cost plus approximately 10% on that cost,  $3\frac{1}{2}\phi$  per cross tie, regardless of size. We will be glad to handle your material in this manner for that price.

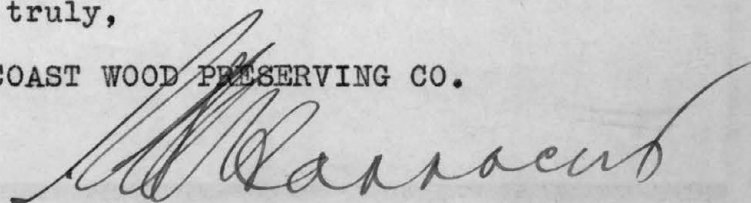
Concerning the switch ties, we propose to unload from treating trams, store in the yard, stacking lengths separately and reload on your instructions for shipment, at 60¢ per M'BM.

After considering the above proposition, we would be pleased to hear from you if same is accepted.

Yours truly,

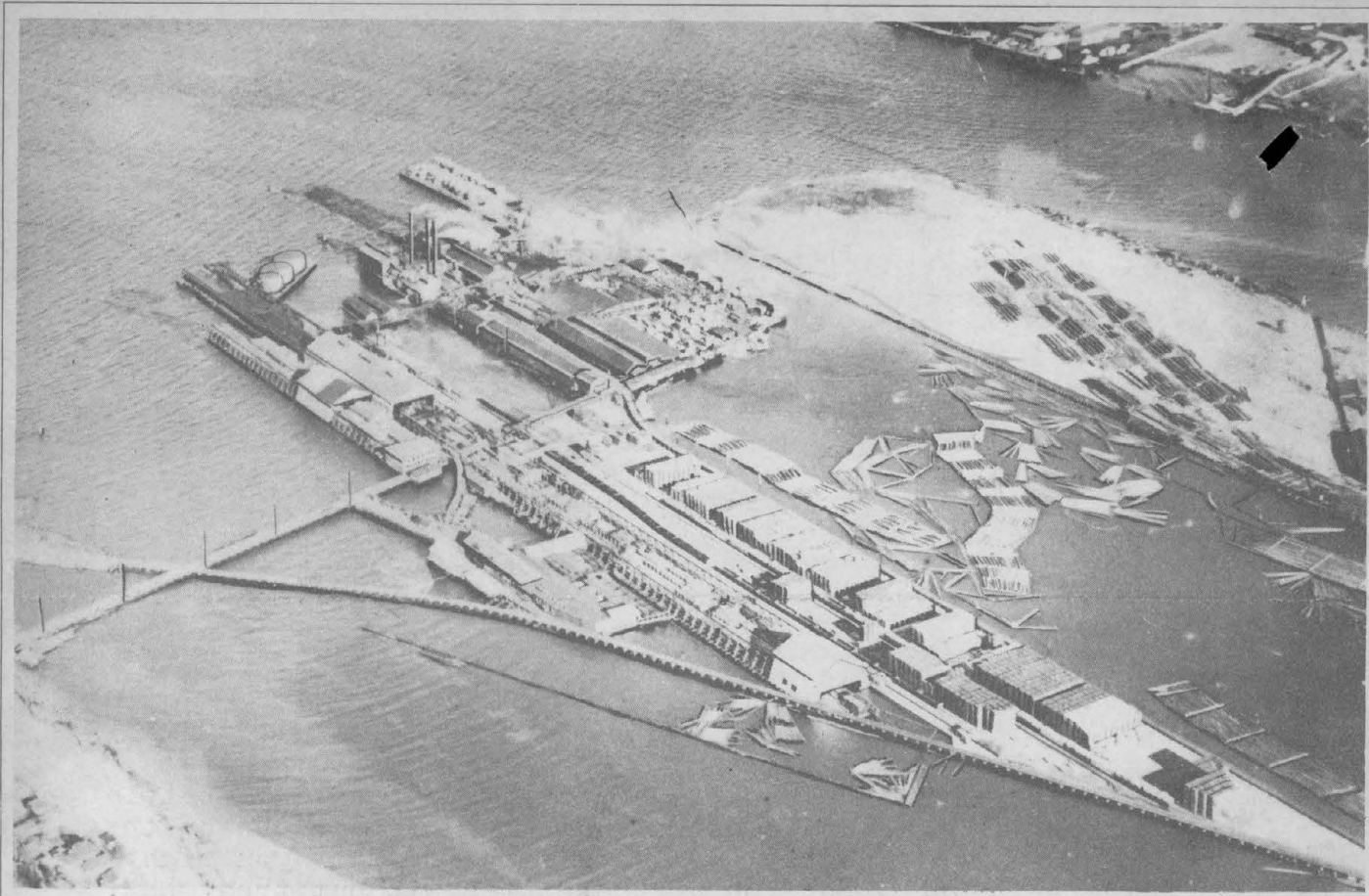
WEST COAST WOOD PRESERVING CO.

By

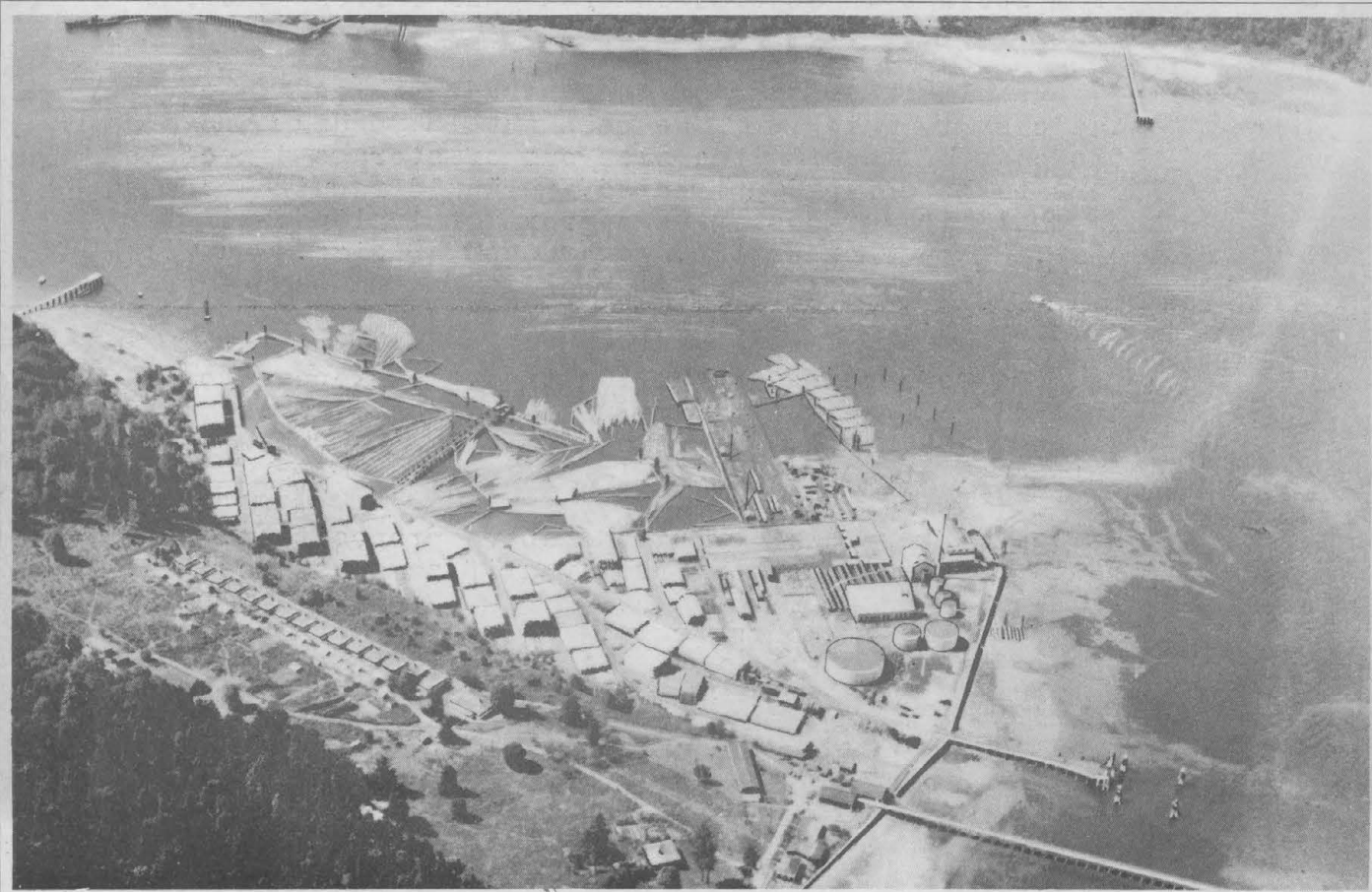


Manager

HEH:I



AERIAL VIEW OF MANUFACTURING PLANTS







N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

5 MD F

Missoula Jul 25-32

L Yager

Car 12 Seattle

Expect to return to Paradise tomorrow and Seattle thursday am

AJ Loom

615am



N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

79 NP W

Bismarck N D July 19-32

L Yager

Seattle

X-185 on train three for Paradise will arrive Seattle on train

One Thursday AM

A J Loom

1211PM

*Ala. Seattle*

*H!*

*2-21*





N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

505 NP C S BRAINERD JULY 19-32 L YAGER SEATTLE.

X-185 LOOM LEFT FOR SEATTLE TRAIN THREE LAST NIGHT WITH  
INTENTION OF MEETING YOU. WIRE FORWARDING TO HIM

A G L 743 AM



N. P. 1386  
12-24

# TELEGRAM—BE BRIEF

TIME FILED

M.

On #3 Pasco Divn July 18 1932w

A J Loom

Brainerd Minn

When do you expect to be in Seattle I will be there all  
week like to see you in case you intend to be on coast  
in any event very soon answer Seattle X-185

L Yager



(Copy)

Seattle, Wash., June 21, 1932

Mr. A. J. Loom:

The following is summary showing the age of the tie stock now on hand at the Seattle Treating Plant. The year shown is the year the cross ties were ready for treating i.e. after having been in the yard one seasoning period.

Season	Douglas Fir			Hemlock			Cottonwood	
	#3	#4	#5	#3	#4	#5	#3	#4
1930	22,584	0	71,485	1,591	0	0		
1931	0	5,451	860	0	66,791	0		
1932	<u>4,385</u>	<u>152,743</u>	<u>15,435</u>	<u>3,206</u>	<u>36,372</u>	<u>0</u>	<u>271</u>	<u>273</u>
Total	26,969	158,194	87,780	4,797	103,163	0	271	273

cy GRH

(Signed) C. L. HARDING

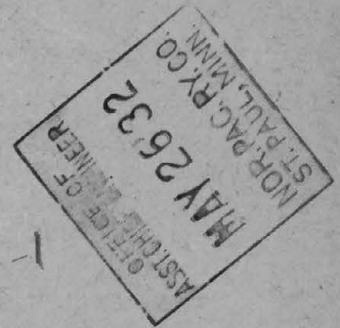
Treating Inspector

368  
225  
473



Enroute St. Paul, Train 4,

May 24, 1932.



• MR. L. YAGER:

*See File 205-1*

Referring to my letter of May tenth and exchange of messages about eliminating tie treatment for prospective 1933 requirements.

Please advise result of your negotiations with the contractor for eliminating treatment at the Seattle plant. Also advise what reductions you will be able to make in our Paradise and Brainerd tie treating plant forces through the elimination of the operation of these plants for 1933.

COPY

Paradise, Montana  
May 6, 1932

Mr. A. J. Loom:

In reply to your letter of April 21 requesting comments on Mr. Lowry Smith's letter of February 19th to Mr. Blum in regard to Colman Contract at Seattle:

Article A-2 of Contract gives an added cost of \$1.15 per 1000 FBM for a 12 hour overtime period on cross ties, which is equivalent to a cost per retort hour of \$4.89, using the volume of 51,000 FBM for charges. Under Article A-3, the cost per retort hour on the average load of ties would be \$5.10 as stated by L.S.

From contacts with other work (Milwaukee ties at Eagle Harbor and SP&S ties at St. Helens), I would agree that the price of \$6.50 per 1000 FBM on cross ties at the Seattle plant is reasonable, also the added cost of \$1.15 for the additional 12 hour period, which may be taken as a cost of \$5.10 per retort hour as given.

The question of placing the added costs for periods longer than the basic 12 hours on a basis of a fixed charge per retort hour is an important one, and if it can be arranged with the Contractor it would pay us to do it. The period of greatest saving, however, by use of this method has passed, since the greatest disadvantage to which we have been placed was during the early years in treatment of green piling. The total time on some of the piling charges ran as high as 60 to 70 hours, making the expense pretty high. A normal year now will not reflect so great a saving by use of the fixed rate per retort hour but it would be worth while.

The present management at the Seattle plant has done a great deal for us and is eager to do the right thing, but he may not be willing to further reduce his earnings by an additional \$2500 or so on a normal year's work. The work done under our contract is practically the only work that has been done in the new plant, no other contracts have been made, and only miscellaneous work has been obtained in excess of our own requirements. However, I am certain that he will listen to the proposition and will do just as much as he can for us.

The plan means that loads should be made as large as possible in order to prevent unnecessary expense. However, my experience is that conditions will continue as they are now, small orders will be coming in at irregular intervals and it will not be possible to hold them for full charges. Under no conditions should we agree to penalize ourselves in treatment of small orders. There is a way out of this, however. Small orders are always treated in charges made up of material belonging to the Contractor, so that we would not be required to pay more than our proportion of the fixed rate for overtime on these small orders. This will be shown later.



### Switch Ties

I think switch ties should be separated from Lumber and be regarded entirely by themselves. The actual cost to the Contractor of handling cross ties under our contract is close to 3.2¢ per tie (no overhead included), or \$0.76 per 1000 FBM based on an average of 42 FBM per tie. The actual cost of handling switch ties is close to \$1.25 per 1000 FBM, making the difference in cost of handling to the Contractor \$0.49 per 1000 FBM, so that the allowable difference of \$1.00 suggested by L.S. would be reasonable. Due to the fact that the loads of switch ties average very close to that for cross ties, I believe the figure of \$7.65 suggested by L.S. is about right. Our total savings on switch ties will be on the basic rate for the 12 hour period, since very little material is treated longer than 12 hours.

### Lumber

The basic rate of \$9.00 per 1000 FBM for the first 12 hour period is satisfactory.

During 1931, a total of 332,000 FBM was treated, the total number of treatments being 27. If overtime of \$5.10 per hour had been paid on all charges, and assuming that the average total time of treatment was 24 hours, the cost to us would have been:

332,000 FBM @ \$9.00	\$2988
27 x 12 x \$5.10	1652
332,000 FBM	\$4640
Cost per 1000 FBM	\$13.90

Actually there were 15 charges of this total of 27 that contained less than 5000 FBM each. If these were all removed, the cost of treatment of the balance would have been:

317,000 FBM @ \$9.00	\$2853
12 x 12 x \$5.10	734
317,000 FBM	\$3587
Cost per 1000 FBM	\$11.30

During 1930, there were 35 charges treated having a total of approximately 488,800 FBM. Under the plan of paying a fixed charge per retort hour and assuming 24 hours as the average treating, the cost would have been:

488,800 FBM @ \$9.00	\$4399
35 x 12 x \$5.10	2142
488,800 FBM	\$6541
Cost per 1000 FBM	\$13.40

Of these 35 charges, 16 were less than 5000 FBM each. By considering only those charges containing 5000 FBM and more, the cost would have been:

477,000 FBM @ \$9.00	\$4293
19 x 12 x \$5.10	1163
477,000 FBM	\$5456
Cost per 1000 FBM	\$11.40

These figures show that payment on the basis of fixed charge per retort hour for overtime would be an advantage to us, except for the numerous small orders. As a matter of fact, these small orders are actually treated in charges with commercial material, so that we should not be required to pay the total fixed charge per retort hour, but only our proportion of it, based on the relative amount of our material in the charge.

A saving of approximately 70¢ per 1000 FBM would be made by paying on a fixed rate of \$5.10 per retort hour for overtime, if all charges were made as large as possible and with the minimum charge held at 5000 FBM, meaning that the Contractor would have to bear his share of the fixed rate on mixed charges. A saving of 70¢ per 1000 FBM would have meant a total saving of \$1412 during the past five years of the contract, or an average annual saving of \$283. Since a good many charges actually require less than 12 hours overtime to complete treatment, the saving will be somewhat greater than that shown.

#### Piling

The basic price of 14¢ per cubic foot for the first 12 hours of treatment is satisfactory.

Using the figures given by L.S. on page 7, we have treated a total of 257,635 cubic feet of piling during the past five years of the Contract. The figure of 120,010 cubic feet in 1927 was for new construction mostly and we cannot expect to repeat this often. Disregarding this figure, there was a total of 137,625 cubic feet treated during the past four years, or an average of 34,400 cubic feet per year.

During 1931, there were 17 charges of piling treated which showed a total of 24,400 cubic feet. In treatment of these 17 charges there were actually used 81 hours overtime, which would have cost us \$413.10 at a rate of \$5.10 per retort hour. We actually paid 6¢ per cubic foot on 18,953 cubic feet for this overtime, or a total of \$1137.18. The fixed rate would therefore have saved us \$724 on first treatment only, or \$0.0296 per cubic foot on the entire lot of 24,400 cubic feet.

#### Summary

Using the fixed rate of \$5.10 per hour for overtime, the total savings for the year 1931 would have been:

1,240,854 FBM Switch Ties @ \$1.35	- \$1675 On Base price only
332,250 " Lumber @ 0.70	- 232 On overtime
28,485 Cu.Ft. Piling @ 0.029	- 826 On Overtime
Total year's savings	\$2733



I would recommend that the base rate for payment on treatment of switch ties be changed if possible to \$7.65 per 1000 FBM instead of the present rate of \$9.00 and that payment on all treating time over the basic 12 hour period be made at the uniform rate of \$5.10 per retort hour.

The Contractor should agree to bear his proportion of the cost of overtime in charges of mixed material, that is, where our orders are treated in same charge as his own.

I would not agree to the proposition of a fixed rate for overtime with the understanding that it was to operate on average charges, as given at the bottom of page 6 in letter of L.S. This would be an unnecessary expense, and would operate to our disadvantage, as it will be impossible to prevent treatment of small orders as in the past. With the understanding that the Contractor will assume his share of the retort expense, the objection will be removed.

G. R. Hopkins,

Asst. Gen. Supt.

# Cenhrad Salt November 4th 1926

Smelt lbs

B-1	- 12 hrs	9.00	D-3 -
B-2	12-24	12.00	
B-3	24-36	15.00	
B-4	36-48	18.00	
B-5 -	48-60	21.00	
B-6	60 hrs	21 + 25	



250050  
175000

TRIP

Saint Paul, April 20, 1932w

Mr. A. J. Loom:

Referring to our correspondence and several discussions concerning establishing a new rate for insizing switch ties and bridge material, at Seattle -

Mr. Horrocks submitted a letter in which he proposed eliminating insizing for switch ties and retaining 50-cents rate for insizing other timber. I have refrained from accepting this proposition on account of other matters related thereto brought out in Mr. Lowry Smith's letter of February 19 to Mr. Blum, copy attached.

I would like to have you study Mr. Smith's report in line with the contract and the manner in which this sort of work has been carried out under that contract, and develop such suggestions as you may regard as being helpful in the negotiations which we are to carry on with Mr. Horrocks on my next trip to Seattle, at which time I expect you to be present. You appreciate, of course, that this is a matter which cannot be successfully conducted through correspondence and that we will have to approach the project rather carefully. I shall advise you in due time about the trip which will undoubtedly not materialize for a number of weeks, by reason of Mr. Blum's absence.

Assistant Chief Engineer.



# NORTHERN PACIFIC RAILWAY COMPANY

ENGINEERING DEPARTMENT

L. YAGER,  
ASSISTANT CHIEF ENGINEER

ST. PAUL, MINN.  
April 20, 1932w

Mr. H. E. Horrocks, Manager  
West Coast Wood Preserving Company  
1118 4th Avenue, Seattle, Washington.

Dear Mr. Horrocks:

I have delayed replying to your letter of February 8 concerning our discussion of the matter of insizing switch ties, in the hope that I would be able to discuss this with you, and other related matters which have since developed, on a trip to Seattle which I have been planning for some time. Mr. Blum has just left for about six weeks, so that my trip to the coast is quite uncertain, but it seems to me that nothing of vital importance is concerned through this prospective delay and I have the matter in mind to advise you just as soon as the trip is in prospect.

Yours very truly,

April 20, 1932w

Mr. H. E. Horrocks, Manager  
West Coast Wood Preserving Company  
1118 4th Avenue, Seattle, Washington.

Dear Mr. Horrocks:

I have delayed replying to your letter of February 8 concerning our discussion of the matter of insizing switch ties, in the hope that I would be able to discuss this with you, and other related matters which have since developed, on a trip to Seattle which I have been planning for some time. Mr. Blum has just left for about six weeks, so that my trip to the coast is quite uncertain, but it seems to me that nothing of vital importance is concerned through this prospective delay and I have the matter in mind to advise you just as soon as the trip is in prospect.

Yours very truly,



McLager

Attached is statement  
showing status of Coleman  
Contract as of December 31st  
1931

McL 3/20-32





Status of Contract West Coast Wood Preserving Company  
< Successors to the J. M. Coleman Company > November 4th 1926 for treating residue at Peaville.

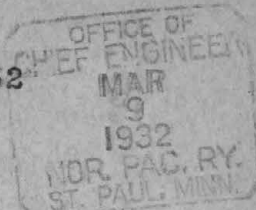
Year	Gross Res.	Switch Res.	Bridge Str.	Piling		Conduit	Total		Contract Agreement			
	Pieces	F B M	F B M	Purchased Lin Ft	2 years Lin Ft	Lin Ft	Gross Res. Equivalents		Gross Res. Minimum	Equivalents Maximum	Aggregate	Difference
1927	176045	595617	361162	51799	83325							
Cross Res. Equivalents	176045	14181	8599	12391	22009		233225		250000	350000	300000	
1928	468231	1063202	510502		67696							
Cross Res. Equivalents	468231	25314	12155		18885		524585		"	"	"	
1929	405893	1262798	300892		21225							
Cross Res. Equivalents	405893	30067	7164		5550		448674		"	"	"	
1930	262784	-	476645		① 9138	38774						
Cross Res. Equivalents	262784	-	11348		2788	1041	277961		"	"	"	
1931	223030	1240854	318813		② 11267							
Cross Res. Equivalents	223030	29544	7590		3317		263481		"	"	"	
1932	274861											
Total for 5 Years	1535983	4162471	1968014	51799	192661	38774						
Cross Res. Equivalents	1535983	99106	46856	12391	52549	1041	1747926				1500000	+247926
Average per year	274861						349585				300000	+49585
6)	1810844											
301												

① Includes 1394 cu ft studs  
" 1014 " "

Figures used in computing Cross Res. Equivalents  
Switch Res. Bridge and other lumber - 427 BM = 1 Cross Res.  
Piling 3.5 cu ft = 1 " "



6-4- Take up with Honorable.  
St. Paul, Minn., Feb. 19, 1932



Mr. Bernard Blum:

Your verbal instructions about contract with the J. M. Colman Company for treating our ties, etc.

The contract is dated November 4th, 1926, runs ten years from January 1st, 1927, and calls for the treatment of a minimum of 3,000,000 cross ties or the equivalent.

The basic prices briefly are as follows:

Cross Ties:

For 12 hour treatment per 1000 FBM	\$6.50
For each 12 hour period or part thereof over initial 12 hours, per 1000 FBM	1.15

Switch Ties, Bridge Ties, Lumber, Etc.

For 12 hour treatment per 1000 FBM	9.00
For each 12 hour period or part thereof over initial 12 hours, per 1000 FBM	3.00

Piling and Poles:

For 12 hour treatment per cu. ft.	.14
For each 12 hour period or part thereof over initial 12 hours, per cu. ft.	.005

Although the price for cross ties is ample, at the time the contract was made, it along with the prices for the other items were the best that could be obtained. Under the conditions I believe we should accept the cross tie price as reasonable as far as the basic rate of \$6.50 per 1000 FBM is concerned and also the rate of \$ .10 per 1000 FBM per hour of treatment over 24 hours.

It will be noted that each class of material has a base rate for a 12 hour treatment and that for overtime they

Mr. Blum, #2

are increased at uniform rates for each additional 12 hours or fraction thereof. This means that a treatment of 13 hours would cost the same as one of 24 hours. Overtime should be on an hourly rate instead of in jumps of 12 hours each.

*How about  
assignment  
of shifts*

The base rates, that is the rates for a 12 hour treatment, include all the handling costs and various other items of expense making up the cost of treatment.

After a load is in a cylinder the cost per hour for conducting the treatment should not vary greatly regardless of the class or quantity of material and any such variation is generally due to the state of seasoning. In our case the prices are the same for each class regardless of the condition of the seasoning so that element may be disregarded.

Due to methods of handling, etc., the base prices for different classes of materials will necessarily vary, but the price per hour for treatment longer than the base should be the same for all classes. Such a price to be acceptable to the Treating Company should be one that will produce a uniform revenue from the cylinders regardless of the size of the load.

The simplest way to do this would be to apply the hourly rate of \$ .10 per 1000 FBM for ties for over 24 hours on the average load of 51,000 FBM which would make an hourly rate for time over the basic 12 hours of \$5.10 for each additional hour or fraction thereof. This rate should apply to



Mr. Blum, #3

all classes of materials. On account of the small and uniform size cross ties afford the largest volume of material per load of any of the classes we treat.

Our records show this volume to be approximately 4250 cubic feet or 51,000 board feet per load and it should be taken as the standard for load capacity.

Each class of material due to its characteristics will have a maximum average possible load size as will be shown further on.

The way in which we place our orders has a very direct bearing on the sizes of the loads actually put through the plant and should be given due weight when considering the prices we pay for our work.

Switch ties, bridge ties, lumber and timber all come under one class. At the time of making the contract this no doubt seemed the proper thing to do but as it has worked out the quantity of switch ties treated each year and the way in which they have been handled will, I think, justify considering them in a class of themselves.

We have treated approximately as follows -

1927	-	595,617	FBM
1928	-	1,063,202	"
1929	-	1,262,798	"
1930	-	-	-
1931	-	1,240,854	"

The loads have averaged approximately 4166 cubic feet or 50,000 board feet each which is 98.0% of the volume

Mr. Blum, #4

of the cross tie load.

The switch ties are shipped in and out in carloads containing only two or three lengths so that very little additional labor for handling over that required for cross ties is necessary. Incising is not included in the base rate as is the case with cross ties. All these things make the base rate appear too high and I believe we should ask for an adjustment with the cross tie price which I have conceded to be satisfactory as a base.

As the loads of switch ties are only 98.0% as large as cross ties, on that grounds the cross tie rate should be increased proportionally so as to produce the same revenue to the Treating Company. Such an increase would be  $\$6.50 \div 98.0\% = \$6.636$ . Conceding that the cost of handling and incising switch ties to be \$1.00 per 1000 FBM more than cross ties (I think this is a generous figure) would make the equated rate  $\$6.636 \text{ plus } \$1.00 = \$7.636$  or say \$7.65 as against the present base of \$9.00. For each hour or fraction thereof over 12 hours of treatment the rate should be \$5.10 per cylinder hour.

We have treated lumber, timber, etc. approximately as follows:

1927	-	392,856 FBM
1928	-	463,465 "
1929	-	294,146 "
1930	-	534,087 "
1931	-	332,259 "



Mr. Blum, #5

For these classes of materials the average possible volume of the loads should be about 3333 cubic feet or 40,000 FBM, or 78.4% of the average volume for cross ties. Equating the base rate should be  $\$6.50 \div 78.4\% = \$8.29$ . As it generally costs considerably more to handle these classes of materials than cross ties the base rate of \$9.00 would seem to be in line. The rate for treatments of longer duration than the 12 hour base is such that we have to pay for an additional 12 hour period for each additional 12 hours or fraction thereof. The rate for this additional time is equal to \$3.00 per 1000 FBM per 12 hour period and on the basis of the possible contents of charges of 40,000 will produce a revenue of \$10.00 per cylinder hour or \$120.00 per 12 hour period. Under such an arrangement a treatment of 12 hours would cost \$9.00 per 1000 FBM and one of 13 hours or any time up to 24 hours \$12.00 per 1000 FBM. I believe we should ask for an adjustment making the overtime rate \$5.10 per cylinder hour the same as cross ties.

Although the average possible load of lumber is about 3333 cubic feet or 40,000 FBM since the contract has been in force due to the way we have placed our orders, etc., the average load has been only about 1323 cubic feet or 15,880 FBM which is only 39.7% of the possible with a corresponding reduction of revenue per cylinder hour to the Treating Company.

Mr. Blum, #6

This condition will set up opposition from the Treating Company to any revision of rates that will tend to reduce its income. It would seem that we might arrange our orders so as to bring up the average load to somewhere near what it should be. If this cannot be done we should expect to pay rates that seem high.

The average treatment time for lumber, etc., is about 24 hours and the way the present and proposed rates would work out is about as follows:

Present

Average possible load 40,000 FBM

Base rate 12 hrs. @ \$9.00 per 1000 FBM	\$360.00
Overtime 12 hrs. @ 3.00 " " "	120.00
Total revenue per load	\$480.00
Cost per 1000 FBM	\$ 12.00

Actual average load 15,880 FBM

Base rate 12 hrs @ \$9.00 per 1000 FBM	\$142.92
Overtime 12 hrs @ 3.00 " " "	47.64
Total revenue per load	\$190.56
Cost per 1000 FBM	\$ 12.00

Proposed

Average possible load 40,000 FBM

Base rate 12 hrs. @ \$9.00 per 1000 FBM	\$360.00
Overtime 12 hrs. @ \$5.10 per cylinder hour	61.20
Total revenue per load.	\$421.20
Cost per 1000 FBM	\$ 10.55

Actual average load 15,880 FBM

Base rate 12 hrs. @ \$9.000 per 1000 FBM	\$142.92
Overtime 12 hrs. @ \$5.10 per cylinder hour	61.10
Total revenue per load	\$204.02
Cost per 1000 FBM	12.85

With the proposed overtime rate and the small loads we have been running the cost would be higher than at present by \$ .85 per 1000 FBM for a 24 hour treatment.



Mr. Blum, #7

By increasing the average load to 20,000 or 50% of the possible the cost would be practically the same. It would seem that this should be easily possible and that the size could be increased so as to develop a material saving.

Piling: We have had piling treated approximately as follows:

1927	-	120,010	cubic feet
1928	-	77,312	" "
1929	-	23,062	" "
1930	-	8,766	" "
1931	-	28,485	" "

For this class of material the average possible volume of the loads should be about 2500 cubic feet or 30,000 FBM, or 58.8% of the average volume for cross ties. Equating, the base rate should be  $\$6.50 \div 58.8\% = \$11.207$  per 1000 FBM or  $\$ .1345$  per cubic foot as against the contract price of  $\$ .14$ . As in the other classes the overtime rate is in steps of 12 hours or fractions thereof and is  $\$ .06$  per cubic foot. On the basis of the possible contents of charges of 2500 cubic feet will produce a revenue of  $\$12.50$  per cylinder hour or  $\$150.00$  per 12 hour period. I believe we should ask for an adjustment to  $\$5.10$  per cylinder hour the same as recommended for the other classes. As in the case of lumber due to our methods the actual load has averaged only 1827 cubic feet or 73% of the possible with a corresponding reduction of revenue per cylinder hour. The discrepancy in this case is not as large as with lumber.

Mr. Blum, #8

The average treatment time for piling is about 24 hours and the way the present and proposed rates would work out is about as follows:

Present

Average possible load 2500 cubic feet

Base rate 12 hrs. @ \$ .14 per cu.ft.	\$350.00
Overtime 12 hrs. @ .06 " "	150.00
Total cost per load	\$500.00
Cost per cubic foot	.20

Actual average load 1827 cubic feet

Base rate 12 hrs. @ .14 per cu. ft.	\$255.78
Overtime 12 hrs. @ .06 " "	109.62
Total cost per load	\$365.40
Cost per cu. ft.	.20

Proposed

Average possible load 2500 cubic feet

Base rate 12 hrs. @ \$ .14 per cu. ft.	\$350.00
Overtime 12 hrs. @ \$5.10 per cylinder hour	61.20
Total cost per load	\$411.20
Cost per cubic foot	.164

Actual average load 1827 cubic feet

Base rate 12 hrs. @ \$ .14 per cubic foot	\$255.78
Overtime 12 hrs. @ \$5.10 per cylinder hour	61.20
Total cost per load	\$316.98
Cost per cubic foot	.174

While we may be unable to accomplish anything from requesting an adjustment I believe we have very good grounds for making such a request and with a revision of our methods of having our work done should be given favorable consideration.

LS:wp

*Louis Smith*  
Office Engineer

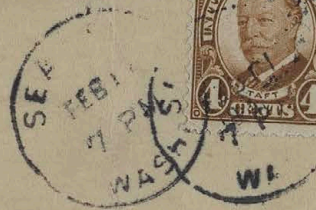


West Coast Wood Preserving Co.

1118-4th Ave. at Seneca St.

SEATTLE,

WASHINGTON



Mr. L. Yager  
Assistant Chief Engineer  
Northern Pacific Railway  
St. Paul, Minnesota





THE NEW DENNISON CLASP ENVELOPE NO. 63  
PAT. NOV. 20, 1923  
DENNISON MFG. CO., FRAMINGHAM, MASS., U.S.A.





JAN 21 1932









# POST CARD

CORRESPONDENCE

ADDRESS







4-02









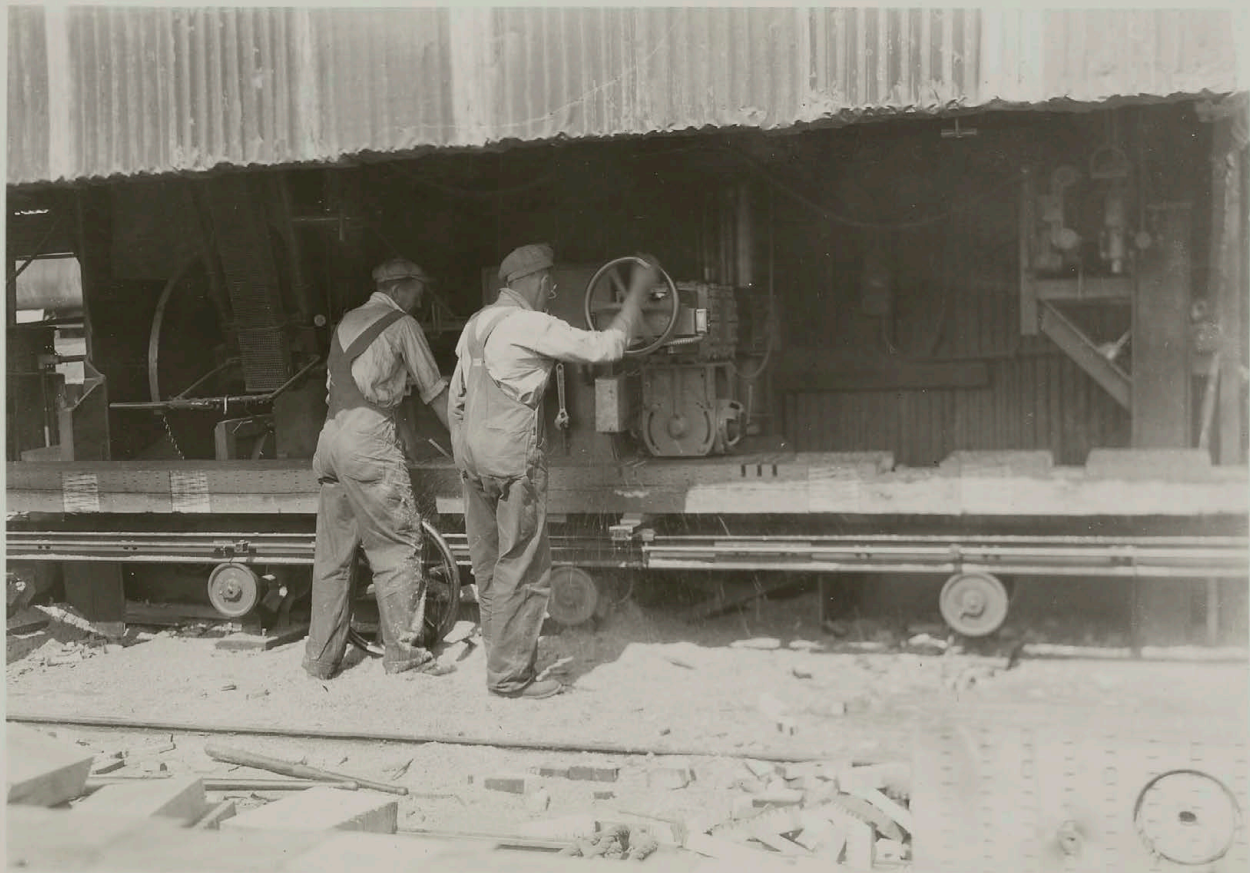
















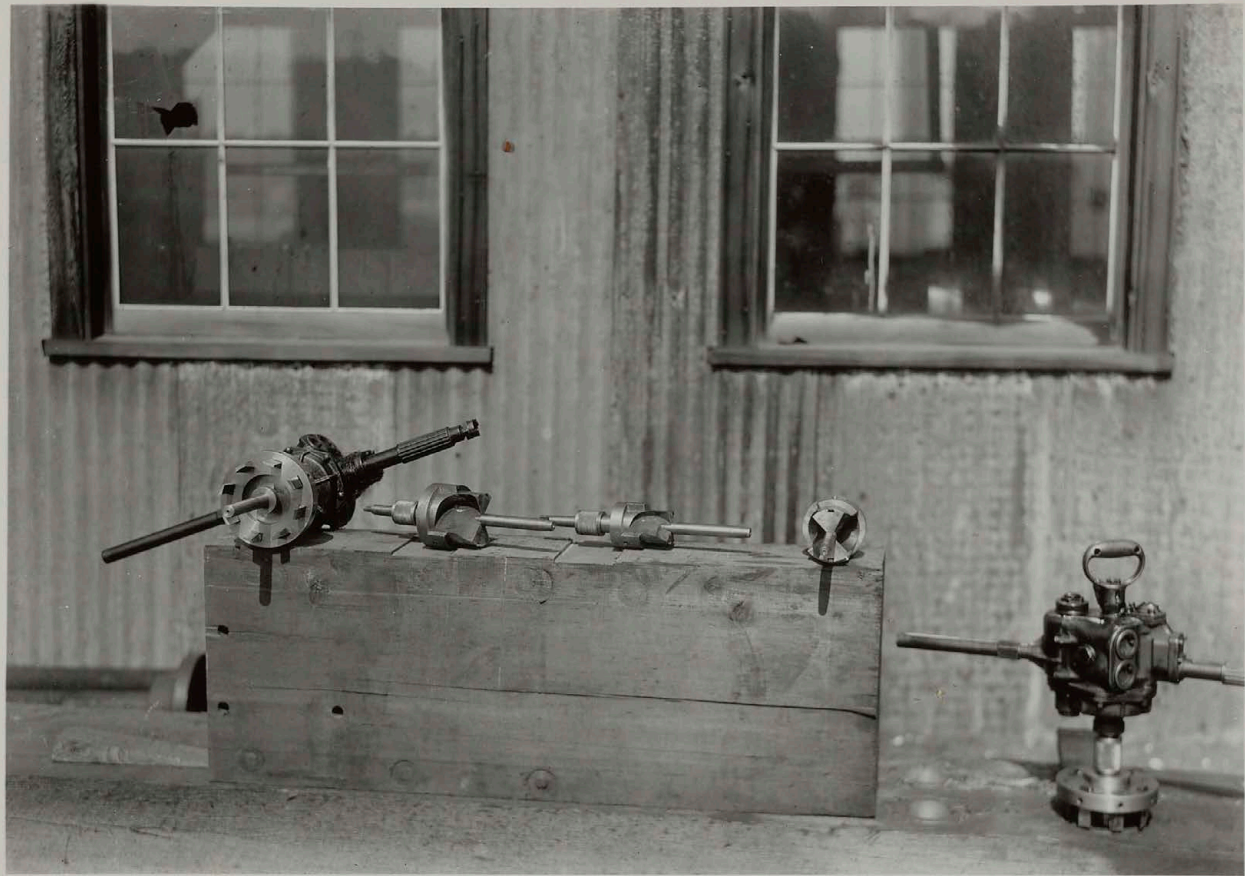




























L. J. COLMAN  
PRESIDENT

L. C. HENRY  
VICE - PRESIDENT

A. D. BARRALL  
SECRETARY - TREASURER

H. E. HORROCKS  
MANAGER

# WEST COAST WOOD PRESERVING CO.

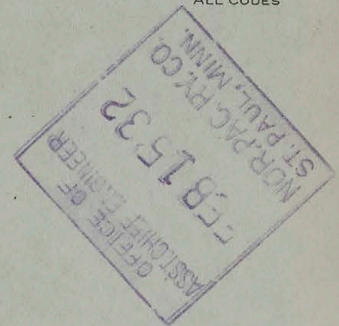
CREOSOTED DOUGLAS FIR IN ALL FORMS  
RAIL AND CARGO SHIPMENTS

SUCCESSORS TO  
COLMAN CREOSOTING PLANT  
PACIFIC CREOSOTING PLANT

1118 4TH AVE. AT SENECA ST.

SEATTLE, U.S.A.  
February 11, 1932

CABLE ADDRESS  
"CREOSOTE"  
ALL CODES



Mr. L. Yager  
Assistant Chief Engineer  
Northern Pacific Railway  
St. Paul, Minnesota

Dear Mr. Yager:

QUOTATIONS SUBJECT TO CHANGE WITHOUT NOTICE. ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ACCIDENTS OR OTHER DELAYS UNAVOIDABLE OR BEYOND OUR CONTROL. MATERIAL SUBJECT TO FINAL ACCEPTANCE AT OUR PLANTS. MAY BE INSPECTED BY MUTUALLY SATISFACTORY PARTIES.

When visiting with you a week ago Monday I told you something of the work we had done in framing and creosoting timber for the pontoon that was built by the Milwaukee Railroad across the Mississippi River near Wabasha.

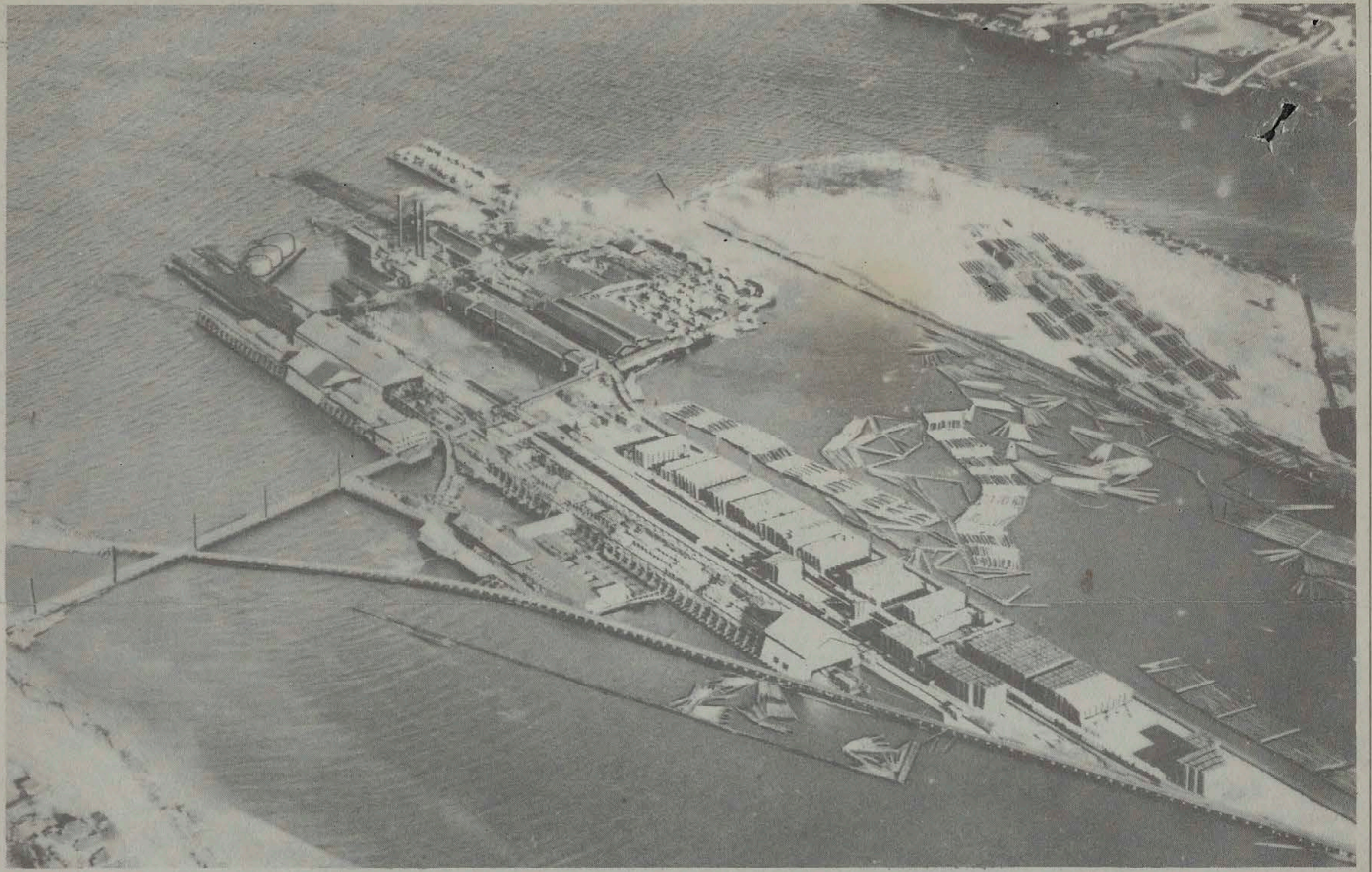
Thinking they might be interesting, I am enclosing herewith a set of photographs that pretty well illustrate the framing operations and to some degree the erection and launching features of this job.

Yours very truly,

Manager

HEH:I  
enc.





AERIAL VIEW OF MANUFACTURING PLANTS

