President's Subject Files (Nos. 729-2981). Northern Pacific Railway Company records.

Version 3
August 20, 2018

N. P. 1757/6-24

OFFICE OF President

FILE NO. 2728-8

SUBJECT: (Part 1)

Lettuce and other vegetable warehouses, Kent and Auburn, Wash.

~~Kent, Wash, - purchase of additional property for lettuce and other vegetable warehouse sites.~~

~~(May 1922 to June 30 1938)~~ Facsimile

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
R. H. D. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., June 3, 1938. A4

Mr. W. E. Coman,
Vice President.

I have your letter of May 31, about the additional expense of $140 incurred in connection with the improvement of the packing house at Auburn under lease to Harry Kuramoto. This is approved.

(Signed) CHARLES DONNELLY

PRESIDENT'S
File 2728-8

NOTED BY
C. D.
B. W. S.
J. B. P.
E. B. D. /
L. B. F.

Seattle, Washington, May 31, 1938

Mr. Charles Donnelly,
President.

Please refer to your telegram dated April 21st authorizing expenditure for improvement in packing houses at Sumner, Auburn and Kent.

The expenditure of $375 authorized for changes in the house at Auburn will not fully cover the expense, as it was found necessary to provide electric wiring as result of the installation of additional equipment as the original wiring would not carry any additional load.

I authorized the additional expenditure for the wiring, estimated at $140, as the work was under way and it was desired to avoid delay. The work authorized in your message, which was estimated at $375, has been completed at actual cost of $365.75, and with the expense of the wiring the total cost will be $505.75, which will be added to the lease valuation at rental on basis of eight per cent per annum.

This lease is No. 55310 to Harry Kuramoto.

W E Coney

PRESIDENT'S
File 1730-8

NOTED BY
C. D. P.
B. W. S.
J. H. P.
R. H. D.
L. R. F.

St. Paul, Minn., May 31, 1938. t4

Mr. V. E. Williams,
Western R/W Agent.

I have your letter of May 26 with enclosures about the plan which has been decided upon for operation of the White River Packing Company.

I am not very sanguine about this situation. I agree with you, however, that under the circumstances we can do no better than go along with the other creditors under the arrangement that has been worked out. Accordingly, the lease running to Messrs. E. K. Saito, M. C. Taylor, and Thomas A. Williams, as trustees for the Packing Company and covering the shed at Kent, has been executed for the Railway Company; and I return herewith the duplicate original for delivery to the trustee.

(Signed) J. H. POORE

cc-
Mr. J. E. Thames:

I enclose, for your information and files, Mr. Williams' letter to me and the enclosures mentioned, together with original of the fully executed lease.

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
R. H. D. ✓
L. R. F. ✓

PRESIDENT'S
File 2228-8

St. Paul, Minn., May 20, 1938.

L5

Mr. H. E. Stevens,
Vice President.

Referring to your letter of May 20 and returning proposed contract with W. J. Bouldron covering work of making certain changes and additions to the warehouse leased to F. H. Hogue at Kent, Washington:

This letter may be considered authority for the Chief Engineer to execute the contract on behalf of the Railway Company, and when filed with the Assistant Secretary will be his authority to accept the contract for filing.

(Signed) CHARLES DONNELLY

encl.

cc-Mr. A. M. Gottschald.

PRESIDENT'S
File 728-8

NOTED BY
C. D.
B. W. S.
J. H. P.
R. H. D.
L. R. F. ✓

St. Paul, Minn.,
May 20, 1938

Mr. Charles Donnelly:

Enclosed find proposed contract with W. J. Bouldron covering work of making certain changes and additions in the warehouse leased to F. H. Hogue at Kent, Washington.

Mr. Bouldron has consistently been the low bidder in the construction of warehouses in the White River Valley and in view of the necessity of making the changes in the above mentioned warehouse by May 15 work was alloted to him on the basis of his bid of $4,527.00.

I approve of the contract and recommend execution. If you approve will you please authorize the Chief Engineer to execute.

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
R. H. D. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., April 23, 1938. A3

Mr. R. W. Clark,
Vice President.

Referring to your letter of April 21, in regard to improvement to some of the lettuce and fruit warehouses in the Puyallup Valley:

On the 21st instant Mr. Donnelly wired Mr. Coman his approval of the improvements recommended.

(Signed) J. H. POORE

Copy on 526 I 28

PRESIDENT'S
FILE 2728-8

NOTED BY
C. D.
B. W. S. ✓
J. H. P. ✓
R. H. D.
L. R. F. ✓

At Chicago, Ill., April 21, 1938.

Mr. J.H.Poore,
Executive Assistant.

I quote below deciphered telegram from Mr. Burnham, from Seattle, dated April 19, about some recommendations that have been sent to St. Paul with respect to improvements desired by some shippers in the Puyallup Valley:

"Coman airmailed Mr. Donnelly last night papers in connection with improvements desired by Puget Sound Vegetable Growers' Association, Sumner, amount $2,035, and $375 by H. S. Kuramoto, Auburn, and $5,160 account F. H. Hogue, Kent Stop These improvements all vitally necessary and will be capitalized on basis of 8 percent Stop We have been in conference with Coman and Williams and are all agreed improvements should be made and so recommend."

I concur in Mr. Burnham's recommendation.

R W Blook

Dictated.

Copy to 5267

NOTED BY
C. D. .....
B. W. S. .....
J. H. P. .....
R. H. D. .....
L. R. F. .....

PRESIDENT'S
File 2726-8

St. Paul, Minn., April 21, 1938. A3

Mr. J. E. Thames,
Eastern Right of Way Agent.

I attach, for your files, Mr. Williams' letter to me of April 18, with respect to expenditures for certain improvements at the lettuce houses at Kent, Sumner and Auburn, and a copy of Mr. Donnelly's wire to Mr. Coman of this date.

Copy on 526 I 28

(Signed) J. H. POORE

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

TIME FILED
2728-8 M.
526-I-28

NOTED BY
C. D.
B. W. S.
J. H. P.
R. H. D.
L. R. F.

St Paul Minn April 21 1938

W E Coman
Seattle

Your letter eighteenth I approve expenditures recommended by you for improvements at packing houses Sumner Auburn and Kent with understanding rental rates will be increased by eight percent per annum on the cost. P-5

Charles Donnelly

cc-Mr. J. E. Thames

Copy on 526 I 28

PRESIDENT'S File 2728-8

NOTED BY
C. D.
C. S.
L. N. P.
E. H. D. ✓
L. H. F. ✓

Seattle, Wash., April 18, 1938.

Via Air Mail

Mr. Donnelly OK Said 4/21 JHL

Cy 526 I28

Mr. Charles Donnelly,
President.

I am sending you herewith Mr. Williams' letter of this date and his four memoranda regarding the desired improvements requested in the four packing houses referred to, one each at Sumner and Auburn and two at Kent. We have been in touch with the situation for some time but Mr. Williams has not been able to reach a definite understanding earlier with the lessees. I have discussed the matter fully with Messrs. Williams and Grubbs and we are all agreed the expenditure should be made, based in each case on the lessee paying an additional rental at 8% per annum on the actual cost.

There has been no material change in the situation for this year as regards the number and location of shippers as outlined in my letter of April 2, 1937, with the possible exception of Woodinville and Earlmont on the east side of Lake Washington, where the same lessee may not operate, although we expect these two houses will be opened again this year. This will mean the same number of packing houses on the Northern Pacific this year, with only the one at Auburn on the Milwaukee-Union Pacific.

Cy on 526 I28

In view of the reduction last year in the number of packing houses in this district, it is necessary to make the changes in the houses of the Puget Sound Vegetable Growers at Sumner, H. S. Kuramoto at Auburn, and add the covered platform for F. H. Hogue in the old Sawdey & Hunt house at Kent at cost of $2,035, $375, and $600 respectively as explained in Mr. Williams' memoranda and blue prints.

In regard to the expenditures outlined by Mr. Williams, and also in the copy of Engineer Hayward's report to Mr. Stotler in the large Hogue house at Kent amounting to $4,560, I discussed this fully with Mr. Williams and Mr. Hogue Saturday and confirmed Mr. Williams' understanding about Hogue's business this year. He advises confidentially that he has completed an arrangement with Stokeley Brothers Co., Indianapolis, Ind., who have taken a 50% interest in his business at Kent and for whom he has contracted to pack not less than 3,000 tons of frozen vegetables.

Mr. Hogue is the most successful and the strongest operator financially in the district, and his deal with Stokeley Brothers should place him in a better position this year, particularly as the shipment of frozen vegetables is not as hazardous as fresh vegetables. While his plans for his office are somewhat elaborate for a shipping house, he is a conservative business man

and expects to materially increase his business and place it on a more stable and dependable basis. He therefore desires to have adequate office room, a good office for himself, together with satisfactory lighting and heating and he is willing to pay increased rental at the rate of 8% per annum on the entire cost of $4,560 for the improvement. He will continue to occupy the Sawdey & Hunt house also and we have not been confronted with the necessity of erecting a building for the Kent Feed Co. referred to in my letter of April 2, 1937.

There are no changes which will affect track or operating conditions in any way, and therefore no objections from an operating standpoint. Under the circumstances, I join with Messrs. Burnham, Grubbs and Williams in recommending the total expenditure of $7,570, additional rental equal to 8% of the entire amount to be added to the four leases. As explained by Mr. Williams, we have been delayed in completing plans. I am therefore sending this air mail and will be glad to have your authority by telegraph to make the expenditure.

I am attaching memorandum statement furnished by Mr. Burnham, showing the business during the past seven years from each of these three lessees. Mr. Burnham advises a conservative estimate for the Northern Pacific revenue is $200 per car.

W E Gray

cc Mr. W. C. Sloan
Mr. J. L. Burnham
Mr. V. E. Williams
Mr. A. F. Stotler

Seattle, April 18, 1938.

Mr. W. E. Coman,
Vice President.

Referring to my conversation with you and Mr. Burnham in connection with vegetable packing at Auburn, Kent and Sumner.

We are requested to make the following improvements in our packing houses:

Lease	Lessee	At	Improvements	Cost
49013	P.S.Veg.Growers	Sumner	Interior rearrangement	$2,035
55310	H. S. Kuramoto	Auburn	Platform extension	375
55311	F. H. Hogue	Kent	Covered Platform	600
X 55312	F. H. Hogue	Kent	New Office layout	4,560
			Total	$7,570

Attached you will find memorandum in detail covering each improvement.

It is important on account of the lateness of the season to proceed with this work very soon. The delay in presenting it has been caused by the fact that the tenants made the applications late and the improvements had to be worked out with them. It was only yesterday that I was able to reach an agreement with Mr. Sakahara of the Puget Sound Vegetable Growers, who had to consult his association about the payment of additional rental. Mr. Hogue did not make his deal for the additional frozen products packing until about ten days ago and his application could not have been made until he knew definitely what he was going to do.

The Engineering Department have the improvements in hand and will be ready to proceed immediately when the authority for the expense is received.

E. E. Williams
Western Right of Way Agent.

cc Mr. W. C. Sloan,
Mr. J. L. Burnham,
Mr. A. F. Stotler.

STATEMENT OF CARLOAD VEGETABLE

MOVEMENT FOR THE PAST SEVEN YEARS

	1931	1932	1933	1934	1935	1936	1937
F.H.Hogue, Kent							
via N.P.	141	153	279	324	224	231	202
via G.N.	1	2	3	-	10	5	6
Puget Sound Vegetable Growers, Assn., Sumner							
via N.P.	325	362	323	238	224	259	232
via G.N.	20	23	22	34	23	46	31
Western Producers Ex. Auburn - H. S. Kuramoto							
via N.P.	253	277	213	100	12	296	291
via G.N.	-	9	6	17	-	30	27

Seattle, April 18,1938

MEMORANDUM:

H. S. Kuramoto, lessee of the large packing shed at Auburn, located within the wye track, has made request for an extension of the 10 foot platform on the front or easterly side of the packing shed, as shown on the blueprint sketch attached, and the engineer's estimate of the cost is $375.00. I have gone over the matter with Mr. Grubbs and Mr. Burnham, who agree that this expenditure should be authorized with the understanding that Mr. Kuramoto will pay an additional rental equal to 8% per annum on the actual cost.

Mr. Kuramoto's lease, No.55310, was made for a period of 5 years commencing April 1,1937 and the rental is $1,000 per year, which is a flat rate. The rental was not figured on the investment because the packing house was constructed for the Western Washington Vegetable Growers Association, which failed, and the excess cold storage space provided, which now has very litte use, made it impractical to fix the rental on a percentage basis.

Shown below is tabulated statement showing investment in the building and out of pocket statement on revenue and expenses since the building was constructed:

Original cost	$15,597.37
Additions and betterments made in 1931, 1932, 1933, 1935 and 1937	7,342.36
Total	$22,939.73

STATEMENT OF OPERATION

Year	Taxes	Maintenance	Rent	Profit
1931	---	---	$ 818.32	$ 818.32
1932	---	275.81	1456.22	1732.03
1933	---	$3451.08	206.28	3244.80
1934	$284.10	607.04	938.91	47.77
1935	$254.62	51.91	786.84	480.31
1936	$204.98	425.92	750.00	119.10
1937	$256.23	612.34	937.50	68.93
	$999.93	$4872. 48	$5894.07	$21.66

V. E. WILLIAMS

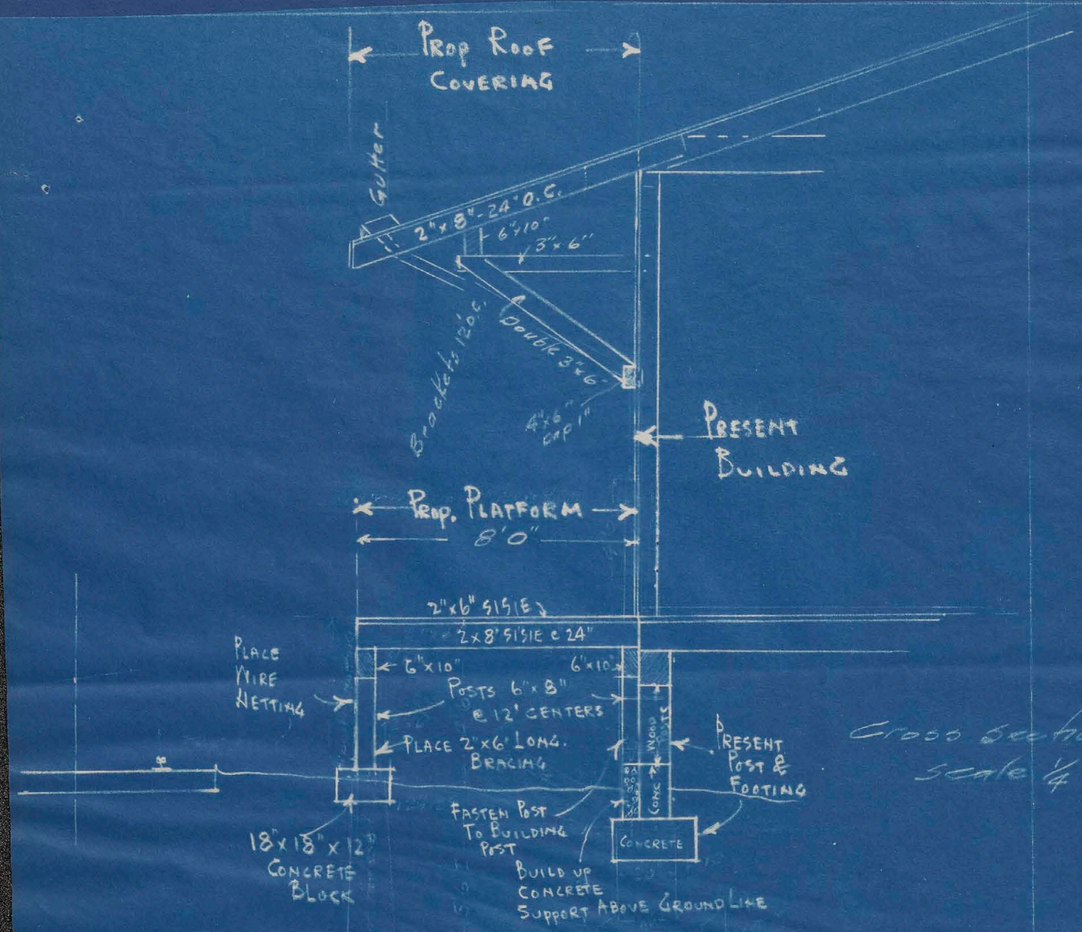
COPIES: W.C. S.

J.L. B.

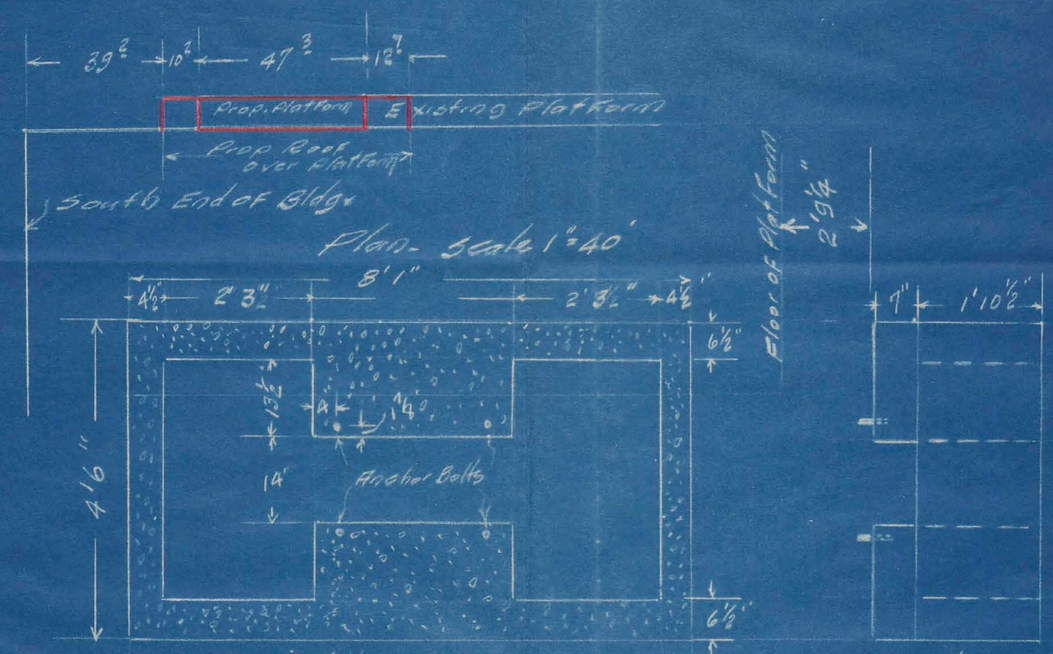
A.F. S.

H.P.R.

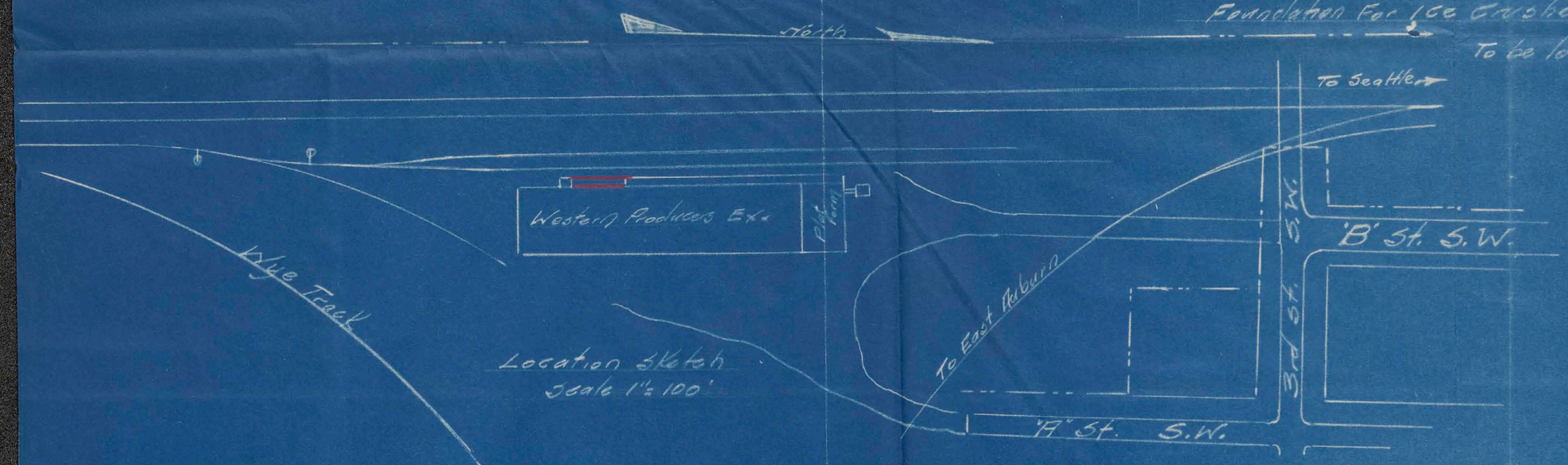
Tacoma Dr. 2nd Subdiv.
Auburn.
Proposed Extension of Platform
Western Producers Exchange.
Mar. 26-1938. Office of Asst. Engr. Seattle.



Cross Section
Scale 1/4" = 1'



Foundation For Ice Crusher Scale 1/2" = 1'
To be located as desired by Lessee



Location Sketch
Scale 1" = 100'

Seattle, April 18,1938

MEMORANDUM:

F.H. Hogue,Jr., who lease from us the former Sawdey & Hunt shed at Kent, has made request for a 30'x50' covered platform on the south end of the packing shed, as shown on the blueprint sketch attached, and the engineer's estimate of the cost is $600.00.

As stated in another memorandum about the packing shed operated by Mr. Hogue under lease No.55312, Mr. Hogue is going to operate extensively this year in frozen products as well as in the vegetable packing business, and I have discussed the matter with Messrs. Burnham and Grubbs, who agree that this expenditure should be authorized, with the understanding that Mr. Hogue will pay additional rental equal to 8% per annum on the actual cost.

Mr. Hogue's lease, No.55311, was made May 1,1937 for an indefinite period subject to cancellation on 30 days' notice. The rental is $42.50 per month, or $510.00 per annum, which was fixed on capital account basis, the lessee paying 6% on the land value and 8% on the building cost.

Shown below is tabulated statement showing investment in the building and out of pocket statement of revenue and expenses since the building was constructed:

Original cost, 1931	$5,462.27
Enlarging & extending sewer,1937	365.00
Total investment to date	$5,827.27

STATEMENT OF OPERATIONS

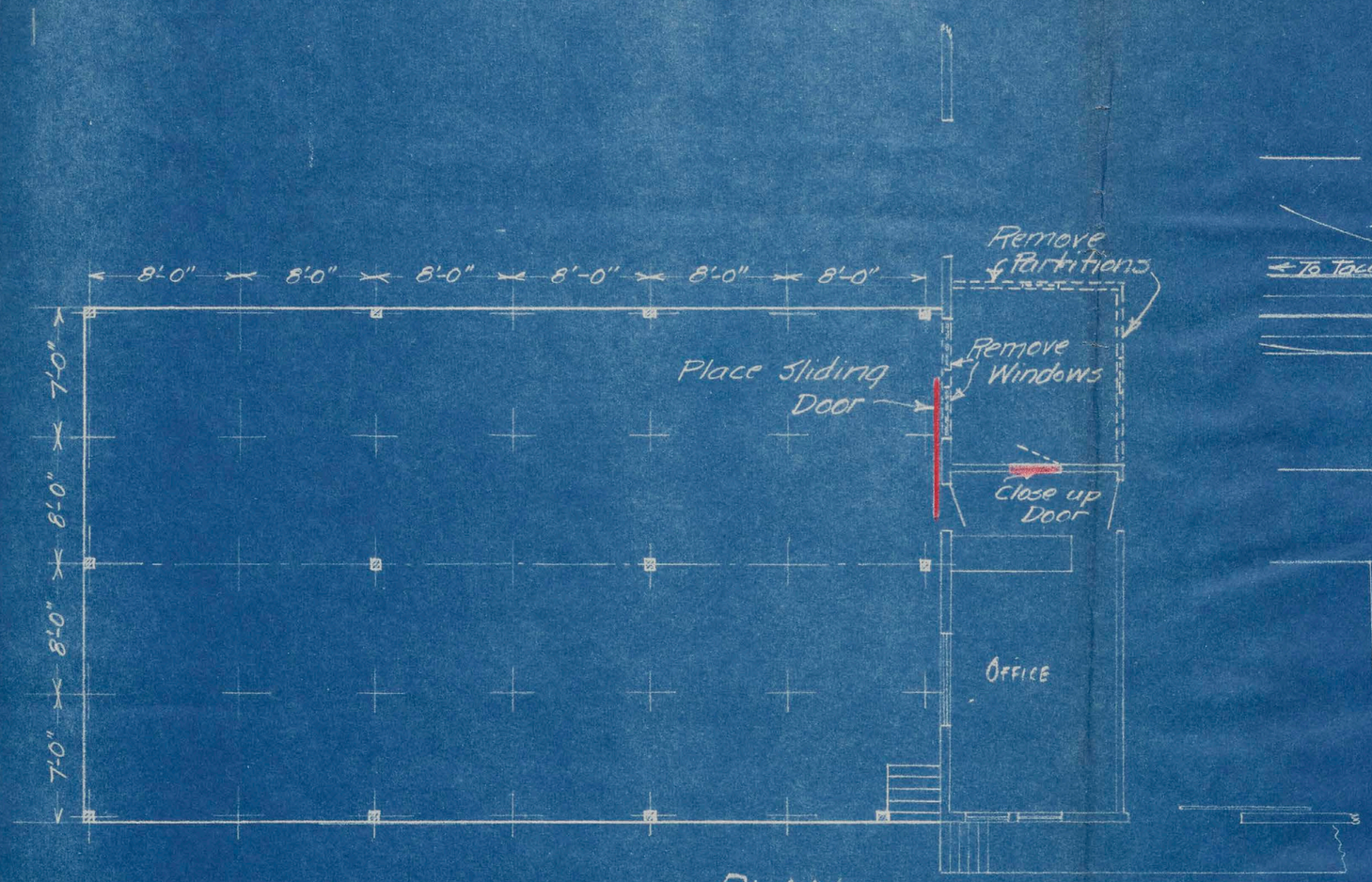
Year	Rent	Taxes	Maintenance	Profit
1931	$331.31	$ ---	$ 28.63	$302.68
1932	496.98	---	13.72	483.26
1933	496.98	---	---	496.98
1934	499.02	177.97	182.31	138.74
1935	166.68	157.63	---	9.05
1936	150.00	150.87	57.46	58.33
1937	340.00	---	41.54	298.46
	$2480.97	$486.47	$323.66	$1670.84

V. E. WILLIAMS

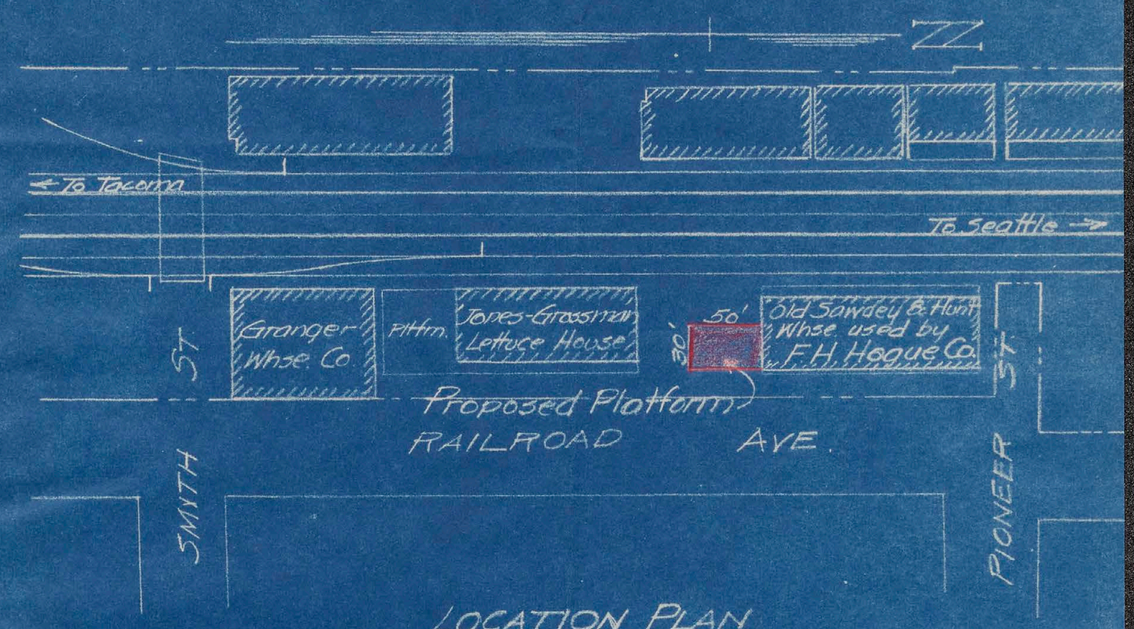
COPIES: W. C. S.

J. L. B.

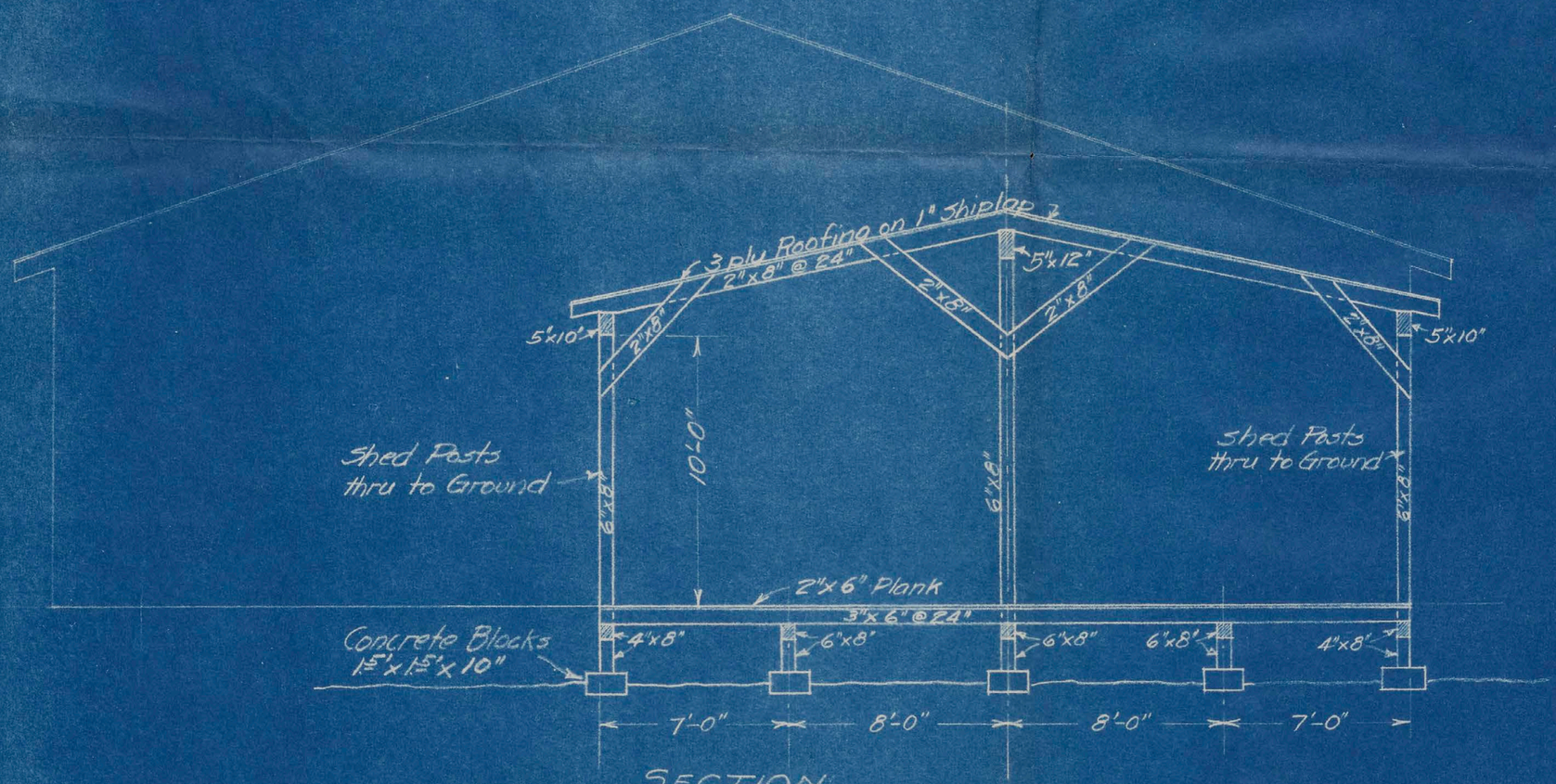
A. F. S.



PLAN
Scale 1/8" = 1'-0"



LOCATION PLAN
Scale 1" = 100'



SECTION
Scale 1" = 5'

N.P.Ry
Tacoma Div. Seattle-Tacoma Line
Wash. Val. Sec. No 3.
KENT, WN.
Platform for So. End of Old Sawdey & Hunt Warehouse now used by F.H. Hogue
Scale as Noted Apr. 5, 1938
Office of Dist. Engr. Seattle, Wn.

MEMORANDUM.

Seattle, April 18,1938.

F. H. Hogue, Jr., lessee of two packing houses at Kent, has asked for quite an elaborate new office layout in connection with the larger packing house he leases and which was built for him.

Last year he froze and shipped about 500 tons of vegetables, principally peas, and this year and within the past two weeks he has made a deal for an outlet for additional frozen products, including fruits, berries and vegetables, and he has definitely contracted to pack 3,000 tons.

In connection with this operation, along with his vegetable packing and shipping, he will require quite a large office force during the peak of the season and it will in fact be quite an extensive operation. His present office is wholly inadequate and he has asked for the new layout, which is explained in the attached copy of letter from District Engineer Hayward to Mr. Stotler, dated April 15, with blueprint sketch attached. You will note the total estimated cost is $4,560 and Mr. Hogue is willing that this amount be added to the valuation upon which he will pay additional rental equal to 8% on the actual cost.

I have discussed this situation with Messrs. Burnham and Grubbs, who agree that the expenditure should be authorized.

Mr. Hogue's lease, No.55312, was made for a period of 5 years commencing June 1,1937, and the rental is $1,622.47, which was fixed on capital account basis, the lessee paying 6% on the land value, plus 8% on the building cost.

Below is tabulated statement showing investment in the building and out of pocket statement on revenue and expenses since the building was constructed:

Original cost, 1931,	$7,086.21
Extension in 1934,	4,436.14
Addition and moving warehouse, 1937,	7,320.98
Total investment to date.	$18,843.33

STATEMENT OF OPERATIONS:

Year	Rent	Taxes	Maintenance	Profit
1931	$428.88	----	----	$428.88
1932	645.58	----	$16.45	629.13
1933	656.90	----	3.97	652.93
1934	906.07	$260.82	4.59	640.66
1935	1036.80	318.02	11.59	707.19
1936	1036.80	304.29	12.76	719.75
1937	1292.00	438.79	226.50	626.71
	$6003.03	$1321.92	$275.86	$4405.25

V. E. Williams.

VEW-L

cc Mr. W. C. Sloan,
Mr. J. L. Burnham,
Mr. A. F. Stotler.

Kent - F.H.Hogue Vegetable
Packing House offices

Seattle, Wash.,April 15,1938.

Mr. A. F. Stotler:

Mr. Hogue,of the F.H. Hogue.Co.Inc., at Kent, has requested that his office be enlarged to adequately take care of his office force and to provide other facilities for his business. Mr. Williams has verbally asked that we contact Mr. Hogue and find out definitely what is wanted. This has been done and attached are four prints to show the layout desired.

Attention is called that Mr. Hogue has stated and restated that he does not want a barny looking office. He is not satisfied with plywood wall and ceiling finish but wants Firtex, with the exposed side treated to a light color. He wants aknotty pine wainscot finish in his private office. Interior offices to have obscure glass partitions to let in as much daylight as possible. He wants, as he had before and with some addition, a private toilet,wash basin and bottle shelving with sink. An adeaute heating system is called for and the most adaptable for his purpose is a hot air fan system (cost $1030). Indirect lighting fixtures are demanded (electrical work costs $320). All toilets to be sound insulated. Linoleum to be taken up and replaced and additional provided with a special color for Mr. Hogue's private office (cost $310). He wants 9 Venetian blinds (cost $108). Lots of shelving (cost $140).

The flooring in the new offices, when finished, will be higher by 3/4" than in the present office. Mr. Hogue has positively stated that he wants the floor throughout to be all the same level which makes it necessary to add a thickness of flooring to the present office at a cost of about $55.

From the above it can be seen that this is going to be no cheap affair. The matter has been discussed at three different times with Mr. Hogue and his staff. Mr. Bouldron, the contractor, was called in. The tendency is to add something each time.

The estimated cost is as follows:

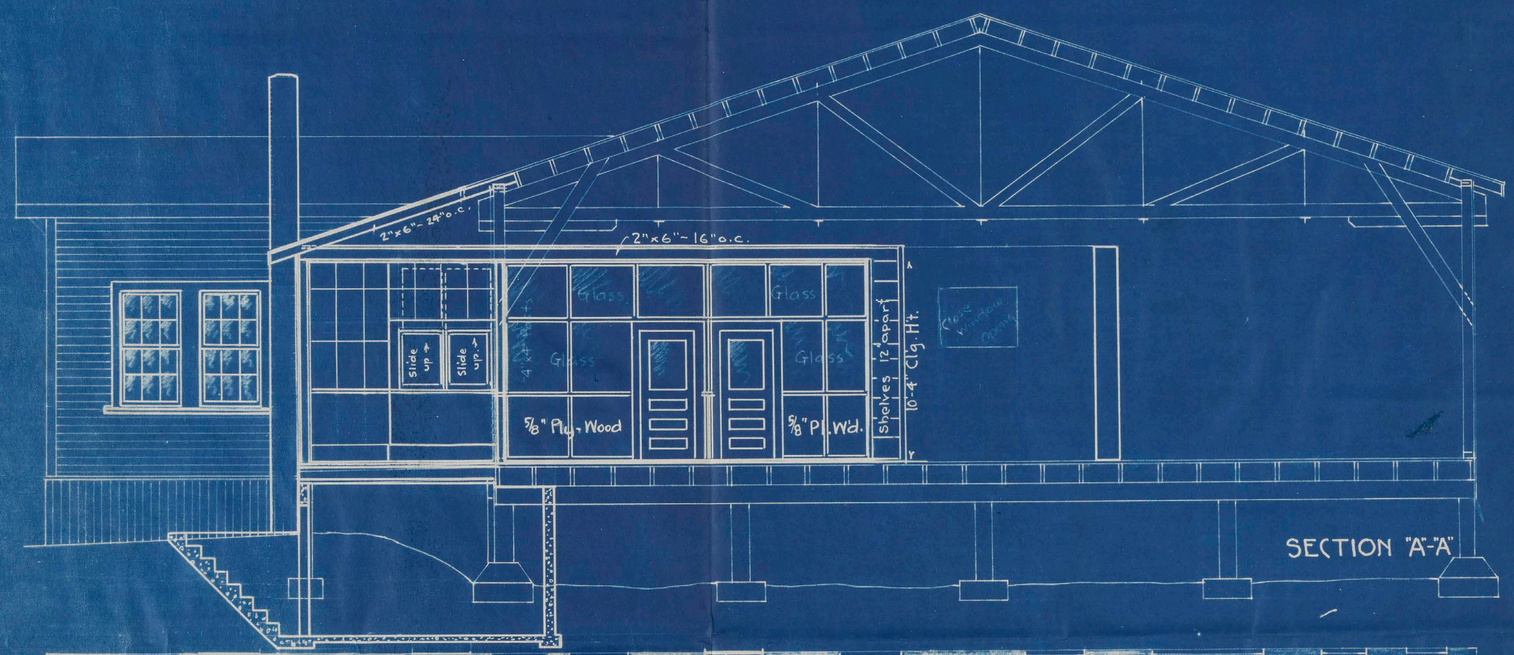
A&B work	$3,985.	
OE "	575.	
Total		$4,560

Mr. Bouldron, on the above set-up of work, has bid $3,000. The Puget Sound Sheet Metal Works has bid $1,030 for heating. This makes the actual contract work as $4,030. However, to this is added $160 for Engineering and $370 for contingencies, as it is certain Mr. Bogue will want more work done before the job is finished.

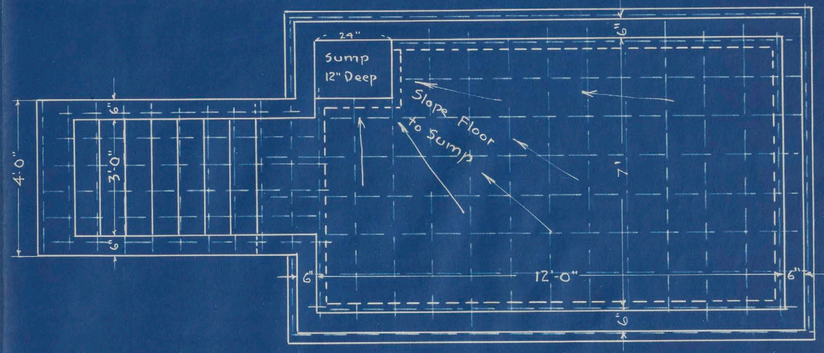
Early decision should be made on this as time is short before the active season starts.

(sgd) G I Hayward
District Engineer

CJF-B

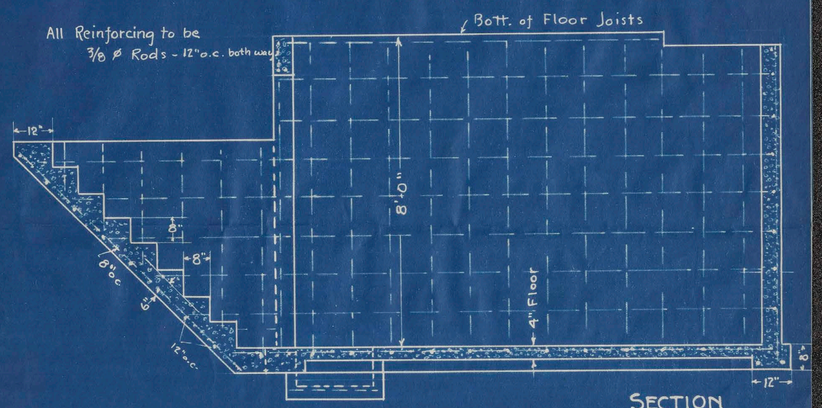


SECTION "A"-"A"

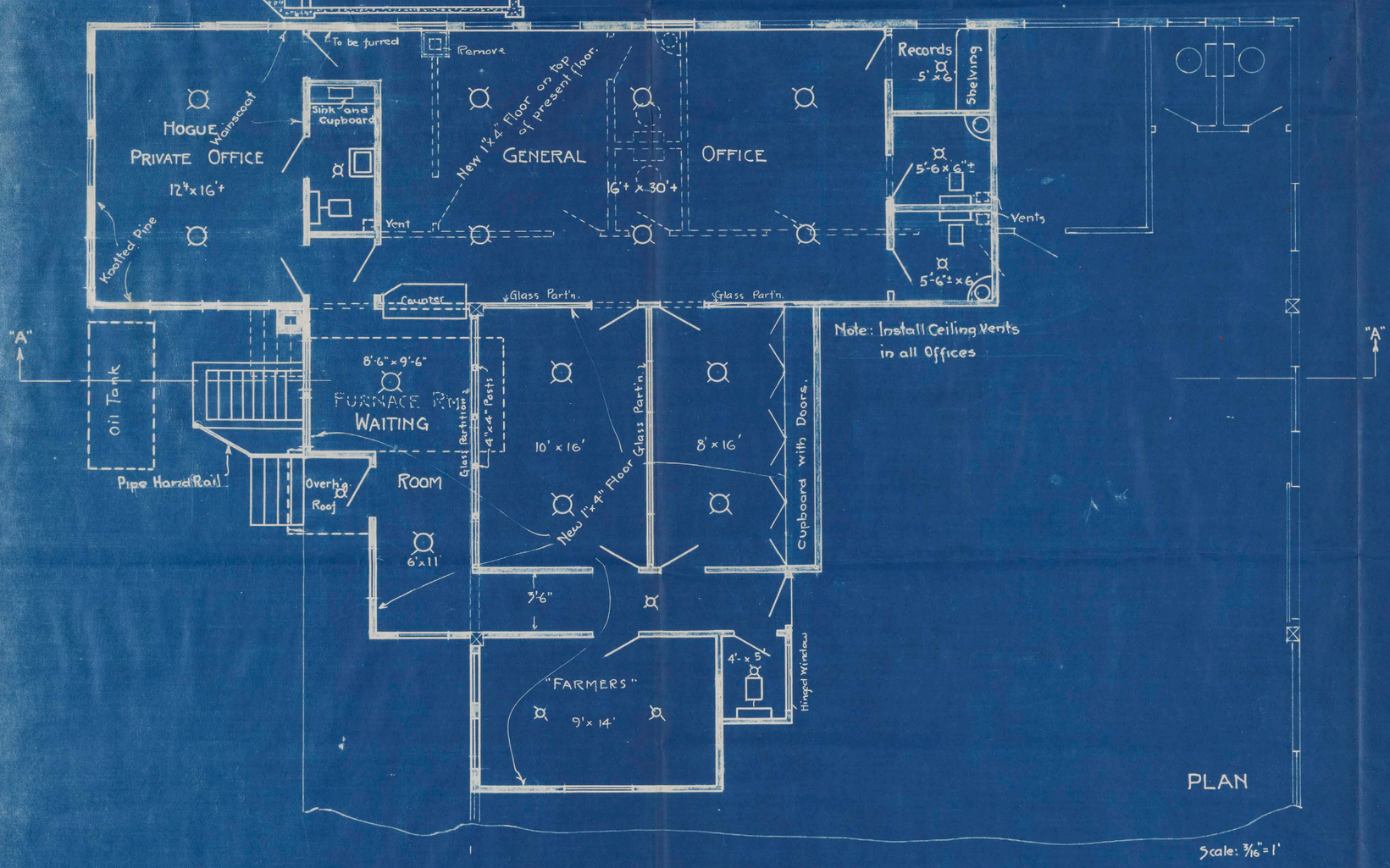


FURNACE ROOM

PLAN

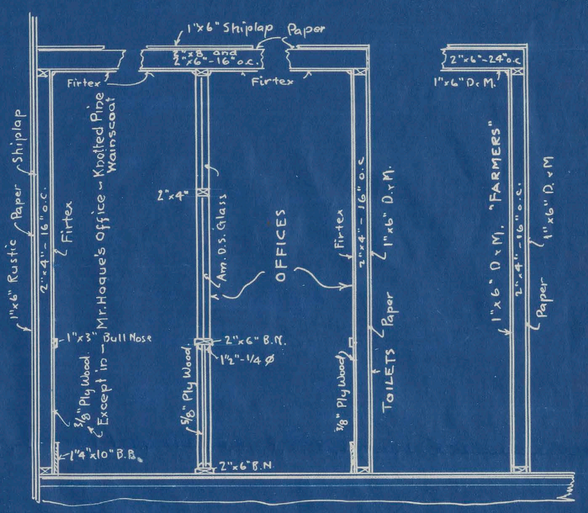


SECTION



PLAN

Scale: 3/16" = 1'



VARIOUS WALLS

N.P. RY.

Tacoma Division — Seattle to Tacoma Line

Plan of Proposed

REARRANGEMENT AND EXTENSIONS OF OFFICES IN

F. H. HOGUE VEGETABLE PACK. HO.

KENT, WASH.

Office of District Engr. - Seattle, Wash.

Scale: 3/16" and 3/8" = 1'-0" April 15 - 1938

PRESIDENT'S
File 2228-8

4/15

NOTED BY
C. D. P.
B. W. S.
J. H. P.
R. H. D.
L. R. F.

4/30

Seattle, March 22, 1938.

Mr. J. H. Poore,
Executive Assistant,
St. Paul, Minn.

Referring to your letter of March 8th, I enclose for your information memorandum dated March 16th prepared by Marvin Nixon about creditors' meeting called by the White River Packing Company which Marvin attended during my absence.

There has been no development since, excepting that the committee is working with Hanada with the object of trying to maintain the company until Saito returns and they have succeeded in securing an agreement from Tony Oddo for cancellation of his contract on the Ontario, Oregon, operation, which is one of the conditions specified by Floyd Oles before consideration would be given to issuing the White River Packing Company a new State license.

I am keeping in touch with the matter and will consult the traffic department and Mr. Coman and keep you advised of the outcome.

VEW-L

Western Right of Way Agent.

enc.

Seattle, March 16,1938.

MEMORANDUM:

I attended the meeting of the creditors of the White River Packing Company at Kent this morning.

Shown below are those who were present, the companies they represented and the amount of their claims:

Mr.Delateur and B.E. Harris, Spruce Veneer Packing Corporation,Puyallup,	$4 670 95
F. A. Duncan, President, Pacific State Bank, South Bend,	500 00
M. C. Taylor and Mr. Jordon Magnolia Milling Co., Seattle,	4 000 00
J. A. Wharton, Secretary, Grays Harbor Pea Growers Assn., Elma,	325 90
Thomas A. Williams, Seattle, Attorney for Wash.Produce Shippers. He also was representing himself on a personal claim of	104 70
M. P. Stone - Union Oil Co., Seattle,	650 00
Geo. W. Mead, Attorney representing Miller Products Co. (Portland) chemicals,	2 000 00
Mr. Hill, Western Union Telegraph Co., Seattle,	540 50
Mr. Carlton, Acme Wood Products Co., Payette, Idaho,	662.79
P. S. Power & Light Co., Seattle	140 88
Mr. Phelps Zellerbach Paper Co., Seattle,	3 095 22
Mr. Mills, Tacoma Ice Co., Tacoma,	2 500 00

Mr. Ziegfried, Western Cooperage Company, Seattle,	311 00
Mr. R. B. Trelstad, Attorney at Kent, representing Boise Ice & Cold Storage Co.,	100 00
Mr. T. H. Brew of the Brew Manufacturing Co., Puyallup,	400 00

In addition there were present at the meeting Mr. Hanada and Mr. K. Ito, attorney representing the White River Packing Company and Mr. Floyd Oles who said he was acting in his capacity as manager of the Washington Produce Shippers and not as a representative of the State Department of Agriculture.

What apparently brought about the meeting was the fact that the Miller Products Company of Portland, represented by Mr. Mead, had gotten a judgment for their claim of $2,000. Mr. Hanada opened the meeting with a statement that he was very sorry to have to call a meeting and wanted to lay the facts before the creditors. He read the financial statement and analysis of it as shown below:

STATEMENT WHITE RIVER PACKING COMPANY:

ASSETS:

Merchandise,	$6,775 00
Packing Shed Equipment,	10,000 00
Auto and Trucks,	3,159 14
Mortgage on Seattle Residence Property (assessed value $600 or $800)	1,800 00
Growers Notes Receivable,	3,588 54
Growers Accounts Receivable,	23,825 37
Total Assets,	$49,148 05

LIABILITIES:

Notes Payable		
Magnolia Milling Co.	$3 954 13	
Zellerbach Paper Co.	3 095 22	
Spruce Veneer Package Corp.	3 500 00	
K. K. Saito,	9 600 00	
Pacific State Bank, So. Bend,	500 00	
Tacoma Ice Co. (mortgage on berries)	2 500 00	
National Bank of Washington of Kent (mortgage on berries)	2 695 00	
Tony Oddo,	6 000 00*	
Union Oil Company	400 00	
Saito Trading Co.	2 592 80	
Total,		$34 837 15

ACCOUNTS PAYABLE:

Preferred Claims:		
1936 Income Tax,	$ 759 77	
King County Personal Tax,	168 97	
Pierce Co. Personal Tax,	97 83	
State of Oregon,	165 84	
State of Washington	355 66	
Food Machinery Co. Contract (cost of Machinery $1375)	500 00	
Total preferred claims,		$ 2 048 07
Unpaid wages		500 00
Rental,		2 325 03
Other accounts payable (Included in list of creditors above)		15 056 96
Total Liabilities,		$54 767 21

*Owed Oddo $9,000 but in January 1938 they sold him for $3000 their equity in the Ontario, Oregon, shed.

Note: This was the statement as Mr. Hanada read it, but the only way the statement balances is to make "other Accounts Payable" total $15 056.96 and I am unable to check this figure.

When he finished reading the statement Hanada stated that that was the situation with the company and indicated that it was

now up to the creditors to do what they liked about the situation. Mead stated that he thought that Hanada ought to propose a plan which the creditors could either approve or reject but Hanada was noncommittal and seemed to have no suggestions. Taylor of the Magnolia Milling Co. stated that he understood there was some question about the Packing Company being given a license by the State Department of Agriculture to operate this year and he asked Hanada how that matter was progressing when Hanada stated he did not know and Taylor then asked Floyd Oles for an expression on the part of the State Department. Oles said that he wanted to make it clear that he was representing the Washington Produce Shippers Association, of which the White River Packing Company is a member, and that he was not there as a representative of the State and refused to comment as to what the State's attitude would be in regard to issuing a certificate.

In order to crystalize the sentiment Mead then said that he thought there should be an expression as to whether or not creditors would go along with the White River Packing Co. providing they operate this year, and stated as far as his client was concerned they would be willing to go along and do what the rest of the creditors do providing none of them received preference. The question was then brought up as to how much cash it would take to commence operations for this season and Hanada stated it would take $5,000 or $6,000. Oles asked him if he thought that he could get $5,000 or $6,000 to operate and Hanada said he thought that they might be able to but they did not want to ask any of their eastern connections for money but would prefer to arrange it locally. Mead asked him if he thought they could arrange it locally and from what source and Hanada said he thought they could, but he did not know at the time just where they would get the money, whether they could borrow it from the Bank or just where they could get a loan. Taylor of the Magnolia Milling Co. stated that he would state the position of his firm which is that they are willing to set aside their claim for fertilizer furnished in the past and would furnish more fertilizer if the other creditors were willing to set aside their claims and providing further that the fertilizer furnished the Packing Company this year, which would probably run around $3,500, would be considered as a preferred claim against this years' operation.

Taylor then suggested that he thought it would be a good idea to have the firm operate under a trusteeship with the approval of the Department of Agriculture and on the understanding that the Packing Co. would assign all its assets to the trusteeship Taylor stated that he would act as Trustee if necessary but would prefer not to.

Other expressions of willingness to go along with such a deal came from the Spruce Veneer Co., the Pacific State Bank of South Bend and the Tacoma Ice Co. Mead, of Portland, stated that they would be willing to go along with the plan but his client was not in a position to furnish any more chemicals without cash because of the Miller Co.'s financial condition. The representative of the Zellerbach Paper Co. stated that they would be willing to go along with the plan but would not furnish any more paper unless it was on a cash basis. About that time Mr. Brew, who had been silent, stated that he would not be willing to go along on any proposition and suggested that the affairs of the company be wound up and liquidated. Taylor was quite concerned about this and Oles seemed to take considerable interest in Brew's statement when a general discussion ensued between Oles, Taylor and Brew when it was pointed out that if the affairs were liquidated nobody would get anything and there was a possibility that if the company operated again this year there might be something in it for the creditors. Finally Brew reluctantly agreed to go along on the basis of a trusteeship. About that time Hanada was asked to state what he thought about the prospect for the 1938 season and he stated that the California flood situation might have some effect on the shipping here because he thought California growers would not start shipping until some time in July but he was not sure about this because he had had varying reports from people on the ground and he stated as far as their operation for 1938 was concerned, it was pretty much of a gamble, depending upon the condition of the country at large.

Taylor brought up the arrangement with Tony Oddo and stated that before his company would be willing to go along Oddo would have to be put out of the picture and Hanada then read atelegram from Oddo which he stated was in answer to an airmail letter to him explaining the situation and stating that a creditor's meeting was to be called. Oddo's reply was that he would be willing to go along with the other creditors. The sentiment of Taylor in regard to Oddo was concurred in generally by all present who were able to speak for their companies. Incidentally this brought out the fact that Saito was receiving $2400 per year salary and Hanada $1600.

There then was a general discussion about who the trustees should be and the method of appointing them when Mills

of the Tacoma Ice Company stated that he did not think that any action should be taken until Saito returned from Japan about April 12th. Taylor said that action could not be postponed for that long because they expected the planting to start as soon as the weather broke and it would be necessary for the packing company to furnish fertilizer to the growers and some action would have to be taken at once. He was asked if he could not make arrangements with the individual growers to furnish the fertilizer and he stated that his was a wholesale concern and they did not do business direct with the growers and would not do so. Oles stated that most of the shippers in the Association were not now furnishing fertilizer but Mr. Hanada pointed out that while they might not be furnishing fertilizer direct from the shed that they were endorsing growers notes at the banks or making some financial arrangement whereby fertilizer could be furnished and the question was brought up as to whether the White River Packing Company would suffer much if they did not furnish fertilizer. There was considerable discussion about this but as was expected, it developed that it was necessary in order for them to get the business to make some arrangement for the growers about fertilizer so that question was disposed of.

Taylor then requested they get back to the question of what was to be done in order for the Packing Company to do business this year and suggested that instead of a trusteeship being carried through that a temporary committee be appointed to conserve the assets so that no one creditor would have advantage over another and after considerable discussion the following committee was appointed:

Taylor of the Magnolia Milling Company
Mills of the Tacoma Ice Company
Harris of the Spruce Veneer Company

This committee is to go into the matter further and report to the creditors.

One of the reasons that the trusteeship was not appointed right then and there was because Mills opposed it so strongly as he thought it would be better to find out from Saito whether or not he would be willing to operate this year under a trusteeship. The meeting was then adjourned.

After the meeting I talked with Taylor and Harris (Mills had departed) and asked them how they were going to

conserve the assets of the company and they both stated they did not know how it was going to be done but they would have to watch the situation and impress upon Hanada that no money was to be paid out without their say so. Taylor was quite upset about the attitude of Oles as he is of the opinion that Oles is going to recommend against the Department issuing a certificate so that the Packing Company can operate this year and Taylor seems to be extremely anxious that the company operates again. He called me this afternoon and told me that later he, Harris and Mills had gotten together for a talk with Hanada and instructed Hanada to wire Oddo for definite advice that the Packing Company's sales contract with him would not be effective this year and it is expected that they will receive a reply from Oddo tomorrow. Hanada is also to cable Saito the result of the meeting and ask him to advise if he is willing to operate under a trusteeship. When his advice is received the committee is to meet again and decide a further course of action.

M. H. Nixon.

MHN-L

NOTED BY
C. D. P.
B. W. S.
J. H. P.
R. H. D.
L. R. F.

PRESIDENT'S
File 2728-8

St. Paul, Minn., March 8, 1938. A3

Mr. V. E. Williams,
Western Right of Way Agent.

I have your letter of March 1, with regard to the White River Packing Company rental situation.

It looks as though we are not going to be able to collect more than a relatively small portion of the outstanding rental account, but from the statements contained in your letter I agree with you that our best chance of making collection is to allow Mr. Saito to continue to operate. I think you should follow the matter up with Mr. Saito, however, and I would like to hear from you again after you have talked with him on his return from Japan.

(Signed) J. H. POORE

cc-Mr. W. E. Coman.

PRESIDENT'S
File 2728-8

NOTED BY
C. D.
B. W. S.
J. H. P.
R. H. D.
L. R. F.

Seattle, Washington, March 3, 1938.

Mr. J. H. Poore,
Executive Assistant.

Referring to Mr. Williams' letter of March 1st on the White River Packing Company situation, copy of which I received today.

We have discussed Saito's affairs before, and all understand that the reason he was able to get into us so far was because the first few years of our relations, he carried out his committments fully in every way, and did not change his policy until he met heavy reverses in his business.

While I do not think he has conducted his business the last few years in a manner to give his creditors proper protection, I still feel that if he can operate we have more chance to recover than if we threw him out for non-payment of rent - particularly before some satisfactory operator is available.

H Elmer

cc Mr. J. L. Burnham
Mr. V. E. Williams

PRESIDENT'S
File 2728-8

J.E.I. please check + let me know amount going on each loan JHP 3/7

NOTED BY
C. D.
B. W. S. ✓
J. H. P. ✓
R. H. D. ✓
L. R. F. ✓

Seattle, March 1, 1938.

Mr. J. H. Poore,
Executive Assistant,
St. Paul, Minnesota.

Mr. Grubbs and I were at Kent today trying to check up on the situation with the White River Packing Company.

We talked to Mr. Oliver, Manager of the National Bank of Washington, the local Kent bank, from which Mr. Saito has secured his financial assistance from time to time. Mr. Oliver states that a few months ago he declined to accommodate Mr. Saito on a loan of $2500 for which he applied and he doubts if Mr. Saito would come to him again for assistance. He stated Saito owed his bank $2700 which was fully secured by canned blackberries in storage. Mr. Oliver seemed to think that Mr. Saito had gotten too much involved to make any recovery in the vegetable business but he had no financial statement.

Mr. Saito is now in Japan and is expected to return the first part of April. We learned from another source that Saito borrowed $1500 on his life insurance with which to make the trip, which indicates that he does not have much financial resources personally which confirms his statement to us that he has put everything he has into the White River Packing Company.

We talked with Mr. Hanada who has some interest in the White River Packing Company and has always been its office manager. I attach statement furnished us byMr.Hanada from which you will note that he has definite obligations in notes payable and accounts payable amounting to $50,526.53. His assets consist principally of packing house equipment, together with notes and accounts receivable. The packing house equipment is perhaps worth the amount he has listed to a going packing house but would not have much value in case of liquidation and it is common knowledge that the notes and accounts receivable from the various growers which Mr. Saito has accommodated in the past have very little value and probably could not be liquidated for more than 5¢ or 10¢ on the dollar.

This information indicates clearly that the White River Packing Company is insolvent but in view of the fact that

there probably will be a hesitancy on the part of any one of the creditors to institute proceedings for collection of claims Saito may return and operate next season. Mr. Hanada states that he thinks Saito can get advanced to him some $5,000 or $6,000 which is all that he will need to operate the shed at Kent and Midlakes but he does not think he will undertake to operate again at Elma, Ontario, Oregon, or southern Idaho where he operated last year. Mr. Hanada is also fearful that some one of the creditors may close in on them, in which event he is quite certain they would be helpless and the White River Packing Company would have to go through receivership.

There is also some question about whether or not, in view of the financial position of the White River Packing Company, that state license can be secured for 1938 operation and in view of all these questions we will have to wait until Mr. Saito returns before anything conclusive can be decided in connection with his relations with our company.

The Association at Midlakes has asked Mr. Hogue to consider packing and marketing their products this year and in that event we will lease the Midlakes shed to Mr. Hogue.

Mr. Hanada told us that among the notes and accounts payable by the White River Packing Company listed in the attached statement are the following:

Saito Trading Company,	$2,500
E. K. Saito,	9,600
Magnolia Milling Company,	4,000
Spruce Veneer Company,	4,500
Zellerbach Paper Company,	3,100
Tony Odeo (Chicago broker),	9,000
National Bank of Washington,	2,700
Tacoma Ice Company,	2,500

The total amount owing to our company for rental up to February 25, 1938, covering leases at Midlakes, Auburn and Kent, totals $2,277.58.

You have heretofore been advised that the White River Packing Company had an operating contract with the Grays Harbor Pea Growers Co-operative Association, covering packing shed at Elma and in connection with the contract the Association was to pay one half the rental and the White River Packing Company

to pay one half. The President of the Association advised us that several months ago he had turned over to Mr. Saito $312.95, covering their 50% of the rental with the understanding that Saito would then pay to our company the full amount. When I was at Kent this morning Mr. Hanada handed me a check for $300, indicating that the attorney for the Co-operative Association was pressing him and Hanada asked that we take no action toward collecting the balance until Saito returns the first part of April. I have remitted to our Treasurer the $300 to apply on the years' rental ending April 30th 1938.

Western Right of Way Agent.

VEW-L
enc.

cc Mr. W. E. Coman,
Mr. J. L. Burnham,
Mr. J. E. Thames,
Mr. G. E. Lees.

✓ Mr Poore

Status account to Feb 28, 1938 as follows:-

Midlakes -	Lease no. 52043 -	$875.00
Auburn -	Lease no. 49094 (canceled)	934.55
Kent -	Lease no. 55314	333.33
"	" " 44462	134.70
	Total	2277.58

3/7

FINANCIAL STATEMENT - WHITE RIVER PACKING COMPANY

December 30,1937:

	Assets:	Liabilities:
Cash in bank,	$ 400 00	
Packing house equipment, Kent,	8 000 00	
" " " Elma	2 000 00	
" " " Bellevue,	1 000 00	
Packing house, Ontario, Ore.,	5 500 00	
" " Outfit " "	1 000 00	
Inventory and farm supplies,	2 000 00	
2 Autos,	2 000 00	
2 Trucks,	1 600 00	
Mortgage on Real Estate,	1 800 00	
Merchandise,	7 735 00	
Notes Receivable,	3 048 59	
Accounts Receivable,	37 469 41	
Notes Payable,		$6 005 00
Accounts Payable,		44 521 53
Chattel Mortgage on Shed,		2 560 00
Surplus,		466 47
Capital,		20 000 00
	$73 553 00	$73 553 00

PRESIDENTS
File 2728-8

At Spokane, Wash., September 13, 1937.

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

Mr. V. E. Williams:

Referring to your letter of September 9:

In view of the situation as explained by Mr. Hogue in his letter of September 3, namely, that while the extension to his packing shed at Kent, under lease No. 55312 effective June 1, was being constructed they could make no use of it during the month of May, I approve your recommendation that rental for May, amounting to $86.40, be cancelled.

W. E. Coman

cc-Mr. Charles Donnelly
TMC

At Spokane, Wash., September 16, 1937.

Mr. V. E. Williams:

Referring to your letter of September 9:

In view of the situation as explained by Mr. Hogue in his letter of September 3, namely, that while the extension to his pending and at Kent, under lease No. 85312 effective June 1, was being consummated they could make no use of it during the month of May, I approve your recommendation that rental for May, amounting to $85.40, be cancelled.

W. E. Coman

cc-Mr. Charles Donnelly

NO

PRESIDENTIAL
File 3728-8

COPY

Seattle, August 27th, 1937.

NOTED BY
C.D.
B.W.S. ✓
J.H.P. ✓
L.R.F.

Mr. P. B. Lacy,
Treasurer,
St. Paul, Minn.

Enclosed is draft in your favor C-6534, amount $333.33, remitted by the White River Packing Company as rental payment due on warehouse at Kent under lease No. 55314.

(Signed) V. E. Williams

Western Right of Way Agent.

L
enc.

cc Mr. F. W. Stetekluh
Mr. J. H. Poore.

Mr. Poore: Referring to your letter of July 23d, this is current rental due August 10th on the new lease covering the former Kent Pea Growers Shed for the current year. There is another payment due September 10th in the same amount which will complete the years rental under this lease and Mr. Saito says this will be paid. We could not get anything definite from him about payment of back rental but when his books for the year are closed, which will be within a short time, he agrees to go over the matter closely and see what he can do. On the two leases on which there is delinquency there is now outstanding $1659.55.

V. E. W.

N. P. 13-5 / 12-24

TELEGRAM—BE BRIEF

PRESIDENT'S File

TIME FILED 2728-8 M.

31 CF GI

SEATTLE JUL 31 37 J H POORE

STPAUL

P-7 IT IS NOT INTENTION TO INCREASE RENT SEE MY MEMO MAY 7 TO COMAN ON LEASE FILE 55311 H-35

V E W

1215PM

I have noted this
JHP

E.W.S. ✓
J.H.P.
L.R.F.

N. P. 1386
12-24

TELEGRAM—BE BRIEF

PRESIDENT'S File 2728-8

TIME FILED M.

NOTED BY
C. D.
B. W. S.
J. H. P.
L. R. F.

St Paul Minn July 30 1937

V E Williams

Seattle

Chief Engineer advises me he has just approved AFE covering enlarging of sewer serving warehouse at Kent now leased to F H Hogue Is it intended that Hogue should pay additional rent because of construction of proposed sewer. P-7

J H Poore

PRESIDENT'S
File 2728-8

NOTED BY
C. D. .....
W. S. .....
J. H. P. .....
L. R. F. ✓

At Missoula, July 28, 1937

MR. J. H. POORE:

I have just forwarded Tacoma Division AFE ED 130 for enlarging and extending the sewer serving the former Sawdey & Hunt warehouse at Kent, now leased to F. H. Hogue.

A six inch sewer will replace 200 feet of four inch sewer.

There is nothing included in the papers to show whether this improvement will affect the rental paid by F. H. Hogue Jr.

You may desire to give consideration to that fact.

Bernard Blum

cc-Mr. W. C. Sloan
Mr. A. F. Stotler

bb/s

St. Paul, Minn., July 23, 1937. A3

Mr. V. E. Williams,
Western Right of Way Agent.

In accordance with your letter of the 12th instant, Mr. Scandrett has executed and I return herewith extensions for a period of one year of the leases to the White River Packing Company covering warehouses at Midlakes and Kent. I understand from your letter that you will watch this matter closely and bend every effort to collect at least a part of the delinquent rentals owing to us by these people.

(Signed) J. H. POORE

PRESIDENTS
File 2728-8

NOTED BY
✓

July 22, 1937.

Mr. J. H. Poore:

Referring to Mr. Williams' letter to you of the 12th inst. about extending leases in favor of the White River Packing Company, No. 44462 at Kent and No. 52043 at Midlakes, for the term of one year:

Extension of the leases are recommended by our officers, including Messrs. Blum, Clark, Sloan and Stevens.

If you approve, please arrange for the execution of the extensions herewith.

J. E. Thames.

JET-M

PRESIDENT'S
File 2728-8

Seattle, Wash., July 13, 1937.

NOTED BY
C.D. ✓
B.W.S. ✓
J.B.P.
L.R.F. ✓

7/22
7/30

To Mr Thames 7/16

Mr. Charles Donnelly,
President.

Referring to Mr. Williams' letter of July 12 to Mr. Poore recommending extensions of existing leases to the White River Packing Company covering lettuce shipping sheds:

While this company is considerably in arrears and has not been able to take care of current rentals in the recent past, it is one of our largest shippers and, like other shippers of lettuce and similar vegetables, will, I am sure, pay up the amount in arrears if the result of its operations will enable it to do so.

I have initialed the forms of extensions and recommend that they be executed.

K E Omary

cc-Mr.V.E.Williams

St.Paul, Minnesota,

July 21, 1937.

Mr. J. E. Thames:

Your letter of July 16th, to Mr. Blum, enclosing papers pertaining to extension of lease in favor of White River Packing Company, covering sites occupied at Kent and Midlakes under leases No. 44462 and 52043 respectively.

I approve extension of the term of the leases in question for one year and return all papers herewith.

W E Dennis

St. Paul, M inn., July 19, 1937
File 12158

Mr. H. E. Stevens,
Vice President.

Referring to the attached file containing applications for extension of lease 44462 at Kent and lease 52043 at Midlakes in favor of the White River Packing Company, each for a term of one year.

Extension of these two leases for a term of one year is approved by the Traffic Department and I have initialed both applications.

NOTED BY
R. W. C.
R. E. S.
J. C. S.
C. J. M. ✓

Saint Paul, July 17, 1937

MR. R. W. CLARK:

Forwarding herewith papers extending leases 44462 at Kent and 52043 at Midlakes, in favor of the WHITE RIVER PACKING COMPANY, each for a term of one year:

I have no objection; and have initialed the same.

bb/s

Bernard Blum

July 16, 1937.

Mr. B. Blum:

Herewith papers received from Mr. Williams about extending leases in favor of the White River Packing Company, No. 44462 at Kent, and No. 52043 at Midlakes, for the term of one year.

For ready reference, the sites covered by these leases are shown by red lines on the attached plats. You will note the West End officers have initialed the lease extensions, and if you approve, please forward your recommendation to Mr. Clark for his consideration, papers then to be submitted to Mr. Stevens for his approval.

J.E. Thames.

JET-M

PRESIDENT'S
File 2728-8

papers

J E Thomas

NOTED BY
C. D.
B. W. S.
H. P.
R. F. ✓

Seattle, July 12,1937.

Mr. J. H. Poore,
Executive Assistant,
St. Paul, Minn.

I am enclosing, in duplicate, for approval and execution the following extensions of existing leases in favor of the White River Packing Company:

Extension of lease No. 52043 for a period of one year commencing April 1st 1937, at the rate of rental heretofore paid of $25.00 per month,which you will note has been approved by western officials interested. This packing shed was constructed by the White River Packing Co. (Mr. Saito) under lease No. 49169 dated April 24 1931 under which the company advanced him $3,000 for construction expense. He was unable to repay the loan and the contract was canceled on March 31,1935 and lease No.52043 was entered into commencing April 1, 1935, at a rental of $25.00 per month which lease has been continued from year to year. No rental has been paid since the date of the lease and the amount delinquent to July 31, 1937, is $700.00.

Extension for a period of one year of lease No. 44462 covering packing shed at Kent. The original lease was made for a period of five years, effective May 1, 1927 and under agreement dated April 27 , 1932, it was extended for a period of five years. The rental is $269.80 per year and there is delinquent rental up to July 31 1937, amounting to $195.32.

In addition to the delinquencies on the two leases above the White River Packing Company owes us $1,016.78 for rental to August 31,1936, on canceled lease No.49094 at Auburn so that the total amount of the delinquencies on the three leases is $1,912.10 which is an accumulation for the last three or four years.

Mr. J. H. Poore - 2.

I was at Kent today and went over these accounts with Mr. Saito and Mr. Hanada who control the White River Packing Company and succeeded in collecting $408.34 to cover rental due July 10th on lease No.55314 at Kent, amount $333.34 and $75.00 due July 1st to cover the entire rental on lease No.55052 covering a part of the packing shed at Grand Mound and I was told that within a short time some substantial payment would be made on these delinquent accounts. I will follow the matter up closely and try to make additional collections but I doubt if we will be able to collect the entire amount this season.

V. E. Williams
Western Right of Way Agent.

VEW-L
enc.

cc Mr. W. E. Coman
Mr. C. M. Grubbs
Mr. F. W. Stetekluh.

W.6-1.

N.P.Ry.

Seattle Div. Seattle Belt Line.

WILBURTON

KING CO. WASH.

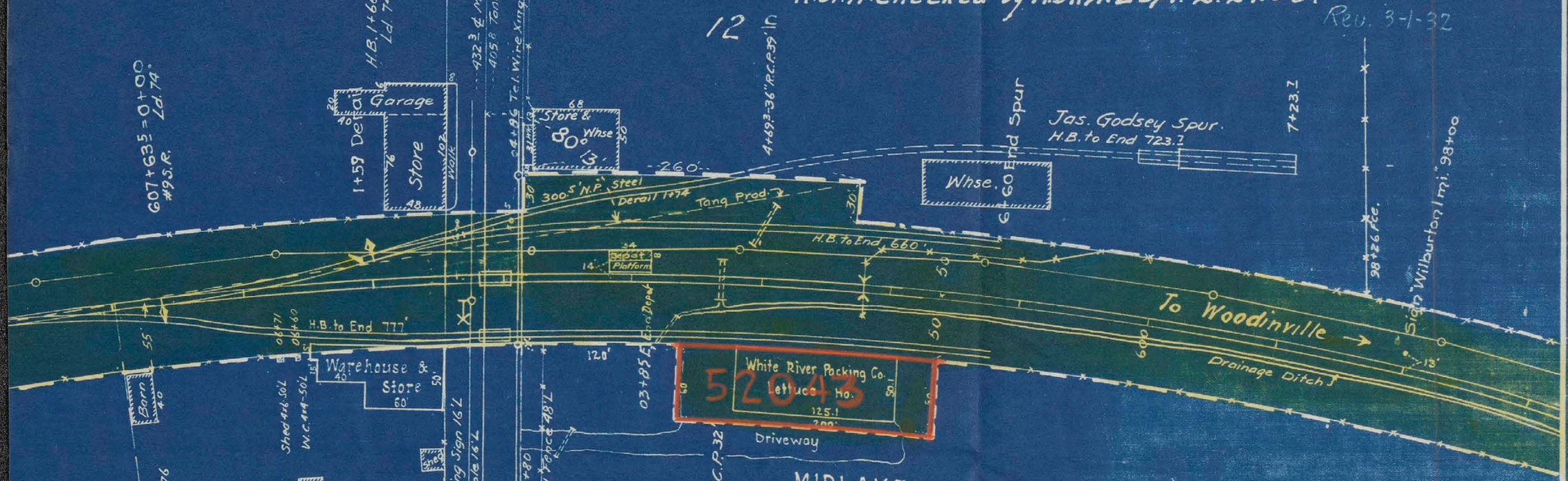
SEC.33 T.25N. R5E. WILL. MER.

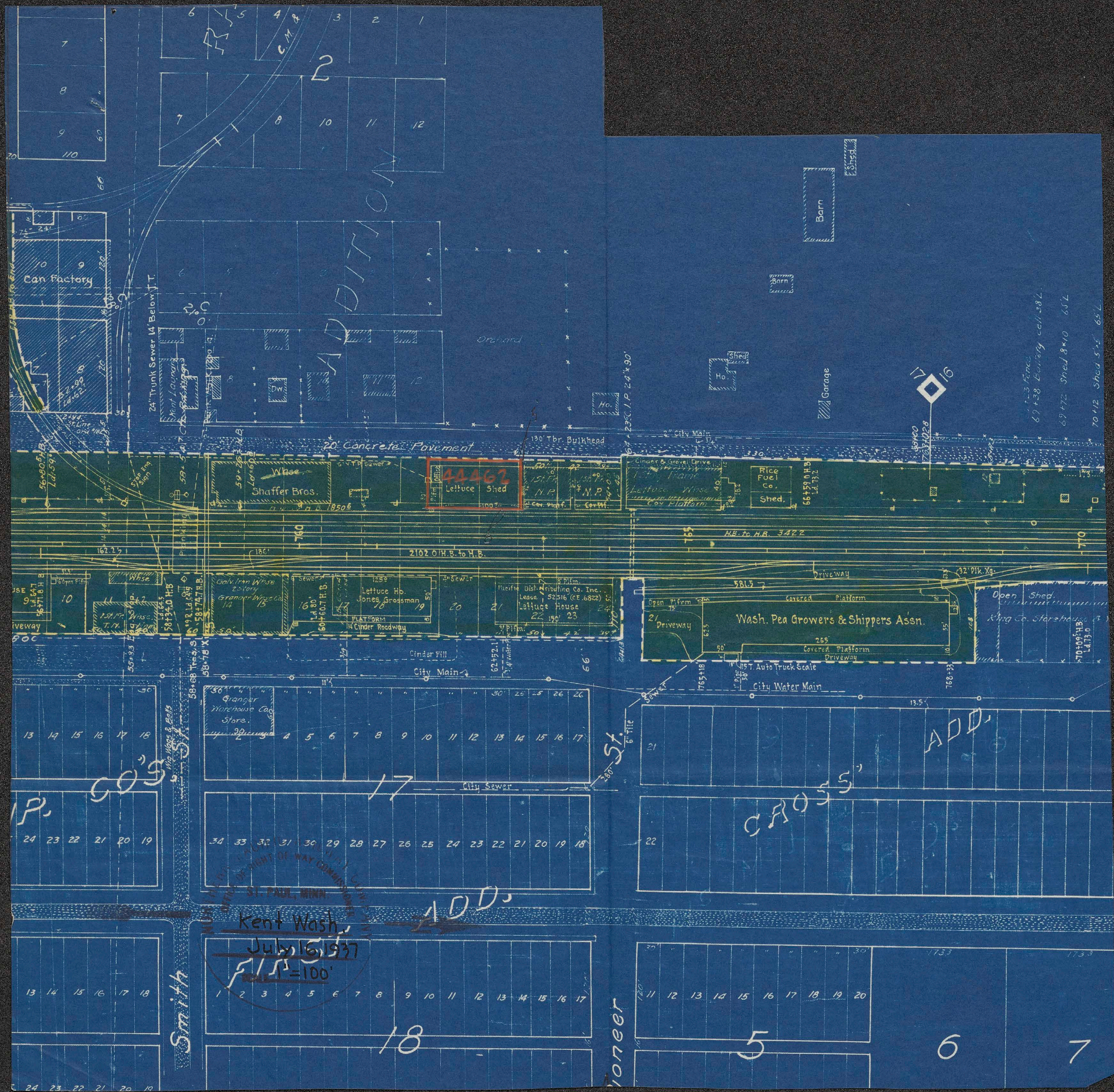
Scale: 1" = 100'

Office Engr. M. of W. Tacoma Wash. Oct. 6th 1908

R.of.W. checked by R.of.W. Dept. 2.24.09.

Rev. 3-1-32




ADDITION
Can Factory
24" Trunk Sewer 14' Below T.T.
Orchard
Barn
Shed
Garage
Ho.
Dw.
20' Concrete Pavement
130' Tbr. Bulkhead
2" City Main
Cinder & Gravel Drive
Rice Fuel Co.
Shed.
Shaffer Bros.
Whse.
44462
Lettuce Shed
Lettuce Whse.
Cov. Platform
H.B. to H.B. 3422
2102.0' H.B. to H.B.
Galvi'ran Whse
2 Story
Granger Whse Co.
Lettuce Hp.
Jones Grossman
PLATFORM
14 Cinder Roadway
Pacific Distributing Co. Inc.
Lease 52516 (C.E. 6822)
Lettuce House
Driveway
Wash. Pea Growers & Shippers Assn.
Covered Platform
Open Shed.
King Co. Storehouse
115 T. Auto Truck Scale
City Water Main
Cinder Fill
City Main
Granger Warehouse Co. Store.
City Sewer
Smith
Pioneer
CROSS' ADD.
Kent Wash.
July 16, 1937
1" = 100'
MUNICIPAL PLANNING COMMISSION
BUREAU OF RIGHT OF WAY COORDINATION
ST. PAUL, MINN.

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., May 14, 1937. A3

2728-8

Mr. J. L. Watson,
Right of Way Commissioner.

In accordance with your letter of May 14, I have executed and return herewith lease No. 55314, running to the White River Packing Company and covering our lettuce warehouse at Kent, Washington.

BWS (Signed) B. W. SCANDRETT

encl.

PRESIDENT'S
File 2728-8

NOTED
C.D.
B.W.S.
J.H.P.
L.R.F. ✓

May 14,1937

Mr. B. W. Scandrett:

April 9th you referred to this office proposed draft of lease No.55314 to the White River Packing Company for lettuce warehouse at Kent, Washington.

I returned the draft April 21st and called your attention to the fact that the description in the lease should be amended by adding the words "and the improvements thereon".

The lease was redrawn and the description amended by adding the words "together with the Railway Company's building located thereon".

The lease has been executed on the part of the lessee. Will you please execute same on the part of the Railway Company ?

J. L. Watson

NOTED BY
C.D. P
B.W.S. ✓
J.H.P. ✓
L.R.F. ✓

PRESIDENT'S File 2728-8

St. Paul, Minn., April 26, 1937.

2728-8 L4

Mr. H. E. Stevens,
Vice President.

Referring to your letter of April 24 and returning proposed contract with Chas. L. Pehling covering the moving of vegetable house at Kent in connection with the improvements to the warehouse under lease to F. H. Hogue, also contract with W. J. Bouldron covering an addition to the north end of the warehouse and the construction of a 74 foot open platform:

This letter may be considered authority for the Chief Engineer to execute the contracts on behalf of the Railway Company and when filed with the Assistant Secretary will be his authority to accept the contracts for filing.

(Signed) CHARLES DONNELLY
P

encl.

cc-Mr. A. M. Gottschald.

PRESIDENT'S
File 2728-8

NOTED BY
C. D. .....
B. W. S. .....
J. H. P. .....
L. R. F. .....

St. Paul, Minn., April 26, 1937.

L4

Mr. H. E. Stevens,
Vice President.

Referring to your letter of April 24 and returning proposed contract with W. J. Bouldron covering improvements to warehouse at Auburn, under lease to the Western Producers Exchange:

This letter may be considered authority for the Chief Engineer to execute the contract on behalf of the Railway Company and when filed with the Assistant Secretary will be his authority accept the contract for filing.

(Signed) CHARLES DONNELLY

encl.

cc-Mr. A. M. Gottschald.

Saint Paul, April 24, 1937

Mr. Charles Donnelly

Herewith proposed contract with W. J. Bouldron covering improvements to warehouse at Auburn, under lease to the Western Producers Exchange.

Bids received on the work compared as follows:

W. J. Bouldron	$3415
H. M. Henderson	3749.50
S. R. Gray	4015.50
NP estimate	3818

Work has been awarded the lowest bidder and I recommend execution of the agreement. If you approve, will you please authorize the Chief Engineer to execute.

H. E. Dexter

PRESIDENTS
File 2728-8

NOTED BY
C. D.
E. S.
L. P.
L. E. P. ✓

Saint Paul, April 24, 1937

Mr. Charles Donnelly

Herewith proposed contract with Chas. L. Pehling for moving vegetable house at Kent in connection with improvements to warehouse under lease to F. H. Hogue, also contract with W. J. Bouldron covering addition to the north end of the warehouse and the construction of a 74 foot open platform.

Bids on moving the vegetable house compared as follows:

Chas. L. Pehling	$1747
Curtis Moving Co	2200
Becker	2200

Work was awarded the lowest bidder Mr. Pehling, who also bid $500 on moving warehouse on the SW corner of Smith & Railroad Avenue to location near Titus and Railroad Ave.

Bids on construction of an addition to the Houge warehouse and for platform adjacent thereto.

W. J. Bouldron	$4269
Henderson	4700
S. R. Gray	6544
N.P. estimate	4805

Work was awarded to lowest bidder. I recommend execution of both agreements. If you approve, will you please authorize the Chief Engineer to execute.

K E Stevens

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., April 22, 1937.

t2

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of the twenty-first regarding leases at Kent and Auburn:

I have executed and return lease No. 55310 in favor of H. S. Kuramoto, and lease No. 55312 in favor of F. H. Hogue; also bill of sale to Shaffer Brothers.

Lease No. 55313 to Shaffer Brothers and lease No. 55311 to F. H. Hogue are drawn for execution by you, and you are authorized to execute.

I also return draft of lease 55314 to the White River Packing Company. I understand original of this lease is being held on west end for execution by White River Packing Company when Mr. Saito returns.

I also return other papers that accompanied your letter of the twenty-first.

(Signed) R. W. SCANDRETT

encl.

PRESIDENT'S
File 2728-8

April 21, 1937.

Mr. B. W. Scandrett:

West

Replying to your letter of April 9th:

I return herewith the following leases at Kent and Auburn, to-wit:

✓ Copy of lease No. 55314 to the White River Packing Company at Kent. The description in this lease should be amended by adding the words "and the improvements thereon".

✓ Lease No. 55312 for term of five years to F. H. Hogue, Jr., at Kent.

✓ Lease No. 55311 to F. H. Hogue, Jr.,at Kent. This is an indefinite term lease subject to termination on thirty days notice.

✓ Lease No. 55313 to Shaffer Bros. at Kent. This is an indefinite term lease subject to termination on six months notice.

✓ Bill of sale to Shaffer Bros., covering warehouse building at Kent.

✓ Lease No. 55310 to H. S. Kuramoto for term of five years at Auburn.

These leases have been approved by the West End officers, including Messrs. Stotler and Sloan, and also approved by Messrs. Blum, Clark and Stevens.

Mr. Stevens, in his letter of April 19th, calls attention to a change in the wording in leases Nos. 55310, 55311, 55312 and 55314, referred to in letters of Messrs. Blum and Clark. The change is not necessary; it only adds additional words; there are only two parties involved, the lessor and the lessee, and the leases as written could not mean anyone else but the lessee. I have discussed this with Mr. Gehan and he agrees that no change is necessary.

J. R. Watson

PRESIDENT
File 2728-8

Seattle, Wash., April 15, 1937.

West

NOTED
C.D. BWS
B.W.S.
J.H.P.
L.R.F.

Mr. B. W. Scandrett,
Vice President.

Answering your letter of April 9, regarding the lease to Kuramoto covering lettuce house at Auburn:

I have talked with Mr. Williams and am attaching copy of his letter dated April 13 to me explaining his position in the matter of failure to collect the excess of $4.00 per car on last year's shipments.

While Mr. Williams made collection, upon special instructions, under an excess car arrangement provided in Kuramoto's lease covering 1935 shipments, I think in view of the regular method in effect for collecting rentals, the oversight in this case was not due to carelessness on his part. However, I am glad that it has been arranged to protect the company's interests in similar cases in the future.

W E Emery

Encl.

C O P Y

PRESIDENT'S File 2728-8

Seattle, April 13, 1937

Mr.W.E.Coman,
Vice President.

Referring to Mr. Scandrett's letter to you of the 9th about failure to collect rental on the $4.00 per car basis under Kuramoto's lease at Auburn:

This office is charged with responsibility of leases, including the checking of the monthly rent roll as the basis for billing, on all property at Seattle, Tacoma, Bellingham - both Northern Pacific and Northwestern Improvement Co. - and N. W. I. property at Portland. As you know there are a great many leases in this assignment and the annual rent roll is around $300,000. We have a definite system, maintaining a lease card record for checking of the rent and a mark-up system for any special lease features. This rent roll is collected by Mr. Askevold's office and about the 20th of each month we are furnished by that office with a statement of any delinquencies and this office follows up the collection of any delinquent payments.

Other than this rent roll, I never understood or never had any instructions that I was responsible in any way for collections and we have therefore always refrained from "butting in" on departments that are so responsible because it simply results in confusion. For example, Kuramoto's bill is sent by the Accounting Department to the Agent at Auburn and the Agent had instructions that if he had difficulty in making collection to take the matter up with this office and we are frequently called upon to assist in the collection of bills all over this territory, but always under special instructions.

In the case of lease No. 52028 covering Kuramoto's lease at Kent for 1935, we had definite instructions from Mr. Watson to check the matter up and make collection of any excess. These instructions were given at the time the lease was made and we therefore made a record and took care of the matter. Kuramoto was to pay $5.00 per car for shipments exceeding 150 cars, but he shipped only 140 cars so that there was no excess to collect.

You know, of course, that there are hundreds of leases outside of the rent roll with which this office is charged, and some of them have special features that have to be watched and unless each such lease is abstracted and proper record made of such features it is difficult in a busy office to keep them in mind.

I prepared the Kuramoto lease, the collection of the rental on which is now in question, and the rental clause was clearly stated and the Accounting Department, if my understanding of the system is correct, should have called upon me if they wanted any assistance from this office in the collection.

V. E. Williams
Western Right of Way Agent.

VEW:N

J. M. McDonald
Extra copy

PRESIDENT'S
File 2728-8

St. Paul, Minn., April 9, 1937.

2728-8

Mr. J. L. Watson,
Right of Way Commissioner.

Mr. Donnelly on April 6 gave informal authority to proceed with execution of new leases and making of certain improvements on vegetable houses at Kent for the White River Packing Company, F. H. Hogue, Jr., and H. S. Kuramoto. In that connection I enclose the following papers:

1. Form of lease to the White River Packing for rental for one year to that company of building originally constructed for the Washington Pea Growers Association. The rental under this lease is to be $1,000 a year, and there will be no improvement expense. This lease has not been executed by the lessee as Mr. Saito is in Japan and will not return until about April 15. The details of the understanding with Mr. Saito's representative, Mr. Hanada, are set forth in Mr. Williams' letter of March 31 to Mr. Coman.

2. Two copies of five-year lease to F. H. Hogue, Jr., on shed now occupied by Mr. Hogue at Kent under lease No. 52296. You will note that in connection with this lease we have agreed to construct an addition to the existing building and certain platforms, the new rental to be $1,036.79 per annum plus 8% upon cost of addition and platforms. We are also being put to the expense of moving a building and certain trackage changes, but these expenditures will not be capitalized in the rental. Details of the understanding covering this lease are set forth in Mr. Williams' letter of March 30, 1937

3. Two copies of lease to F. H. Hogue, Jr. for one year of building formerly occupied

by Sawdey & Hunt at Kent; the rental under this lease will be $42.50 per month, and details are also set for in Mr. Williams' letter of March 30 to Mr. Coman. We will not be required to make any expenditure in connection with this lease.

4. Bill of sale to Shaffer Brothers covering old Seattle Brokerage Company house for a consideration of $1,125; also two copies of lease to Shaffer Brothers covering land upon which this building stands. Rental under this lease will be $50.00 per year, lessee to pay taxes. The circumstances leading up to the sale of this building to Shaffer Brothers are set forth in Mr. Williams' letter of March 30 to Mr. Coman.

5. Two copies of lease to H. S. Kuramoto covering lettuce warehouse at Auburn which is now leased to Mr. Kuramoto under lease 52079. In connection with this lease we have agreed to rearrange office and make an extension to building at an estimated cost of $3,995. The lease will be for five years at a rental of $750 plus 8% on cost of improvements, with the provision that rental shall not exceed $1000 per year. In connection with this lease it will be necessary to make certain track changes at our own expense.

I wish you would arrange to submit these documents to interested departments for formal approval in the usual way.

(Signed) B. W. SCANDRETT

cc-
Mr. H. E. Stevens
Mr. W. R. Coman
Mr. R. W. Clark

✓ SEEN BY
C. D. BB
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

Agent 4/16

St. Paul, Minn., April 9, 1937.

T2
2728-8

Mr. W. E. Coman,
Vice President.

Referring again to the lease to Kuramoto covering lettuce house at Auburn:

On looking further into the matter of rental under the old lease, I find that no effort was made by anybody to collect the $4.00 per car for cars in excess of 187, so that Kuramoto was never billed for the $319.60 additional rental due under this lease. Mr. Stetekluh's office made no effort to check this matter, as they proceeded on the assumption Mr. Williams would handle because Mr. Watson had advised that Mr. Williams would handle collection of $5.00 charged under another lease to Kuramoto (No. 52028), and it was assumed Williams would also handle collection under this lease. I cannot find that Mr. Williams was ever asked by anyone to handle collection under this lease.

Of course, the primary responsibility rested with the Accounting Department, regardless of any understanding it may have had with the Right of Way Department; but it seems to me that Mr. Watson's and Mr. Williams' offices are also at fault. You, of course, had no responsibility whatever in the matter, and I am simply giving you the information so you can talk to Mr. Williams. I am satisfied that steps have been taken which will prevent anything of this nature occurring in the future.

BWS
(Signed) B. W. SCANDRETT

NOTED BY
C. D.
B. W. S.
J. H. P.
L. R. F.

PRESIDENT'S
File 2728-8

St. Paul, Minn., April 9, 1937.

2728-8

Mr. J. L. Watson,
Right of Way Commissioner.

Mr. Donnelly on April 6 gave informal authority to proceed with execution of new leases and making of certain improvements on vegetable houses at Kent for the White River Packing Company, F. H. Hogue, Jr., and H. S. Kuramoto. In that connection I enclose the following papers:

1. Form of lease to the White River Packing for rental for one year to that company of building originally constructed for the Washington Pea Growers Association. The rental under this lease is to be $1,000 a year, and there will be no improvement expense. This lease has not been executed by the lessee as Mr. Saito is in Japan and will not return until about April 15. The details of the understanding with Mr. Saito's representative, Mr. Hanada, are set forth in Mr. Williams' letter of March 31 to Mr. Coman.

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by Sawdey & Hunt at Kent; the rental under this lease will be $42.50 per month, and details are also set for in Mr. Williams' letter of March 30 to Mr. Coman. We will not be required to make any expenditure in connection with this lease.

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I wish you would arrange to submit these documents to interested departments for formal approval in the usual way.

(Signed) R. W. SCANDRETT

cc-
Mr. H. E. Stevens
Mr. W. E. Coman
Mr. R. W. Clark

April 7, 1937.

Mr. B. W. Scandrett:

I have discussed this with Mr. Stetekluh and we think both his department and the Right of Way Department were jointly at fault in not following this matter up to see that bills were made on Mr. Kuramoto for excess cars at the proper time. The Chief Lease Clerk was at fault in not calling this special provision to the attention of Mr. Stetekluh's office at the time the latter was furnished a copy of the lease, and the Bill Clerk in Mr. Stetekluh's office, if he did not understand about the billing, should have taken it up with this office. Also, I think Mr. Williams' office was somewhat at fault in not ascertaining if bills were made on Mr. Kuramoto for excess cars.

J. L. Watson

PRESIDENT'S
File 2728-8

NOTED BY
C. D.
B. W. S.
J. H. P.
L. R. F.

April 7, 1937.

Mr. B. W. Scandrett:

Referring to the Kuramoto leases providing for a cash rental plus a rental of so much per car in excess of a certain number of cars shipped out:

When a lease is made on a cash rental basis plus a charge per car in excess of a certain number, I will arrange with the Division Superintendent at the time the lease is made, to have the Agent instructed to report to Mr. Stetekluh at the end of each month the number of cars shipped out during the preceding month, and Mr. Stetekluh will bill on the lessee for excess cars shipped out each month when the excess period commences.

J. L. Watson

JLW-M

Mr Watson: what did you find out about handling of this case? Who was at fault? BWS.

PRESIDENT'S File 2728-8

C O P Y

June 14, 1935.

Mr. F. W. Stetekluh:

Replying to your letter June 12 about lease 52028 to Harry S. Kuramoto for use of lettuce packing shed at Kent, Washington. Collection of the balance rental under this lease will be handled by Mr. Williams.

Also, the clause in this lease which provides for payment of additional rental of $5 per car when shipments exceed 150 cars per year is a matter which Mr. Williams will follow up and the Accounting Department need not bother further about it.

(Sgd.) J. L. Watson

HEH:cc

cc. Mr. V. E. Williams

C O P Y

Saint Paul, June 12, 1935

File 6310-F

Mr. J. L. Watson:

I have now received a copy of lease 52028 to Harry S. Kuramoto for use of lettuce packing shed at Kent, Washington at rate of $750 for the full term.

In line with your letter, I have submitted bill 58000, April 1, 1935 to March 31, 1936, and have applied on it remittance of $500 as per your letter of June 4. I assume that you will arrange for prompt collection of the remaining balance of $250.

It is also noted that the lease provides for additional rental collection of $5 for each car loaded leaving the premises in excess of 150 cars. Will you please state who will check up on this? I am giving the auditor agencies a copy of this letter expecting that he will instruct our freight agent who watches car loadings so that we may collect additional amount of $5 in excess of 150 cars loaded as provided for under the lease. The amount should be credited to rental accounts which are being handled in my office.

F. W. Stetekluh

WH:L

Auditor Disbursements.

cc Mr. W. J. Stevenson:
Will you make arrangements to collect the extra charge of $5?

PRESIDENT
File 2728-8

NOTED BY
C. D. BB
S. W. S. ✓
J. H. P.
L. R. F. ✓

St. Paul, Minn., April 6, 1937.

File 18390

Mr. Charles Donnelly,
President.

Mr. Burnham has sent me copies of Mr. Coman's letters to you April 2 in regard to several changes and improvements to our properties at Auburn and Kent made necessary by changed conditions in the vegetable shipping industry in the Puyallup Valley.

While these changes involve a considerable expenditure on our part in order to retain two of our principal shippers, both of whom have been approached by the Milwaukee in an effort to have them locate on the C.M.St.P.& P., I am firmly of the opinion in view of the importance of this traffic that we should make the desired changes.

I gave you a report of this traffic for the years 1931 to 1936, inclusive, in my letter of March 16, last.

See Per File 1812

DW Cuse

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

PRESIDENT
MR. 7-28-6

TIME FILED
2:30 PM M.

St. Paul, Minn., April 6, 1937.

W. H. Coman,
Seattle.

Following leases submitted with your letters second to Mr. Donnelly are approved. White River Packing Co., F. H. Hogue, Jr. two leases, H. S. Kuramoto. Stop. Sale of old Seattle brokerage house to Shaffer and lease of land also approved. S-2.

B. W. Scandrett

NOTED BY
C. D.
B. W. S. /
J. H. P.
L. R. F.

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

PRESIDENT'S File 2328-58

TIME FILED 2:30 PM M.

St. Paul, Minn., April 6, 1937.

W. E. Coman,
Seattle.

NOTED BY
C. D. ____
B. W. S. ____
J. H. P. ____
L. R. F. ____

Following leases submitted with your letters second to Mr. Donnelly are approved. White River Packing Co., F. H. Hogue, Jr. two leases, H. S. Kuramoto. Stop. Sale of old Seattle brokerage house to Shaffer and lease of land also approved. S-2.

B. W. Scandrett

288
187
1186

436

109

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

TIME FILED 2:30 PM M.

PRESIDENT'S File 2728-8

[redacted] Paul, Minn., April 6, 1937.

W. E. Coman,
Seattle.

Following leases submitted with your letters second to Mr. Donnelly are approved. White River Packing Co., F. H. Hogue, Jr. two leases, H. S. Kuramoto. Stop. Sale of old Seattle brokerage house to Shaffer and lease of land also approved. S-2.

B. W. Scandrett

NOTED BY
C. D.
B. W. S.
J. H. P.
L. R. F.

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

TIME FILED
2:30 PM M.

PRESIDENT'S
File 28-8

St. Paul, Minn., April 6, 1937.

W. E. Coman,
Seattle.

Following leases submitted with your letters second to Mr. Donnelly are approved. White River Packing Co., F. H. Hogue, Jr. two leases, H. S. Kuramoto. Stop. Sale of old Seattle brokerage house to Shaffer and lease of land also approved. S-2.

B. W. Scandrett

NOTED BY
C. D. ____
B. W. S. ✓
J. H. P. ____
L. R. F. ____

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

PRESIDENT'S File 2728

TIME FILED 2:30 PM M.

St. Paul, Minn., April 6, 1937.

W. F. Coman,
Seattle.

Following leases submitted with your letters second to Mr. Donnelly are approved. White River Packing Co., F. H. Hogue, Jr. two leases, H. S. Kuramoto. Stop. Sale of old Seattle brokerage house to Shaffer and lease of land also approved. 2-2.

B. W. Scandrett

NOTED BY
C. D. ____
B. W. S. ____
J. H. P. ____
L. R. F. ____

PRESIDENT'S
File 2728-8

Seattle, Wash., April 5, 1937.

NOTED BY
C.D.
E.W.S.
J.M.P.
E.R.F.

Mr. B. W. Scandrett,
Vice President.

Referring to your telegram S-1 today about the proposed lease to Kuramoto at Auburn:

Attached is copy of Mr. Williams' memorandum to me explaining that he overlooked mentioning in his letter of March 31 to me the item of $4.00 per car in addition to the flat amount of $750 in the old lease.

So far as we know this $4.00 has not been collected as neither Mr. Williams nor the Agent at Auburn received bill from the Auditor of Disbursements for collection.

It is unfortunate that we overlooked the $4.00 per car item and instead negotiated with Kuramoto for the new lease having in mind the figure of $750 for last year's rental. However, I agree that if we wish to lease this house to Kuramoto and have him operate on our line this year $1,000 is the maximum rental we can collect.

I have talked with Mr. Burnham, who joins with Mr. Williams in recommending the lease and, notwithstanding the correct figure under the old lease for last year's rental would be $1,186, as stated in your message, I think we are justified, in view of the vacant houses which will be unused on both lines this year, in making the expenditure and entering into the lease.

H Comer

Encl.

cc-Mr.J.L.Burnham
Mr.V.E.Williams

Via Air Mail

PRESIDENT'S
File 2728-8

NOTED BY
C. D.
B. W. S.
J. H. P.
L. R. T. ✓

Seattle, Wash., April 5, 1937.

Mr. B. W. Scandrett,
Vice President.

Referring to your telegram S-1 today about the proposed lease to Kuramoto at Auburn:

Attached is copy of Mr. Williams' memorandum to me explaining that he overlooked mentioning in his letter of March 31 to me the item of $4.00 per car in addition to the flat amount of $750 in the old lease.

So far as we know this $4.00 has not been collected as neither Mr. Williams nor the Agent at Auburn received bill from the Auditor of Disbursements for collection.

It is unfortunate that we overlooked the $4.00 per car item and instead negotiated with Kuramoto for the new lease having in mind the figure of $750 for last year's rental. However, I agree that if we wish to lease this house to Kuramoto and have him operate on our line this year $1,000 is the maximum rental we can collect.

I have talked with Mr. Burnham, who joins with Mr. Williams in recommending the lease and, notwithstanding the correct figure under the old lease for last year's rental would be $1,186, as stated in your message, I think we are justified, in view of the vacant houses which will be unused on both lines this year, in making the expenditure and entering into the lease.

Encl.

cc-Mr.J.L.Burnham
Mr.V.E.Williams

(Original Signed) W.E.Coman

Via Air Mail

Copy train mail

Copy train mail

MEMORANDUM.

Seattle, April 5, 1937.

Mr. W. E. Coman,

Referring to Mr. Scandrett's telegram attached, Kuramoto's lease on the Auburn shed for 1936 did provide for a rental of $750.00 payable $250.00 on April 1st and $500.00 on July 10th plus $4.00 for each railroad car loaded in excess of 187 cars. "This additional rental shall be paid on the 10th day of each preceeding month as said additional rental may accrue."

Rental collections are handled by Auditor Stetekluh who sends bills to the Agent at Auburn for collection. We collected the initial $250.00 payment at the time we delivered the lease, April 1st and the remaining $500.00 of the fixed rental was paid through this office on July 28th because the Auditor asked us to assist Agent Bergrum in making the collection when Mr. Bergrum was not able to do so.

We never had a bill for the additional rental which Mr. Scandrett speaks about, which would have amounted to $430 according to Mr. Scandrett's telegram, and if the accounting department has not collected the amount and billed it heretofore it is going to be very embarrassing to try to collect it now.

In my memorandum to you dated March 31st for the new lease, to commence April 1st 1937, I overlooked mentioning about the $4.00 per car additional rental but stated that the annual rental was $750 and this was due to an oversight and I regret that I did not give you the complete information. However, the representation made in my memorandum of March 31st is correct, that Kuramoto refuses to pay more than $1,000 for the year 1937, and Mr. Grubbs and I had a great deal of difficulty in getting him to agree to pay more than $750 and he finally told us definitely that we could either make the improvements and let him have the house at a maimum rental of $1,000 or he would go to the Milwaukee house where he could get a much cheaper rental, in fact he stated to Mr. Grubbs and me that the Milwaukee had offered him a house at Auburn 50 ft. by 125 ft. for $25 per month during the packing season.

VEW-L
enc.

V. E. Williams.

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

PRESIDENT'S File 2728-8

TIME FILED 3:00 P M.

St. Paul, Minn., April 5, 1937.

W. E. Coman,
Seattle. t2

2728-8

Your letter second regarding new lease to Kuramoto. Our records show old lease carried rental seven hundred fifty dollars plus four dollars per car for excess over one hundred eighty-seven. On this basis last years rental would total eleven hundred eighty-six dollars. Under circumstances are we justified in making additional expenditure with maximum rental of a thousand dollars. S-1.

B. W. Scandrett

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

PRESIDENT'S File 27-2-8-8

TIME FILED 3:00 P M.

NOTED BY
C. D.
B. W. S. ✓
J. H. P.
L. R. F.

St. Paul, Minn., April 5, 1937.

W. E. Coman,
Seattle. t2

2728-8

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B. W. Scandrett

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

PRESIDENT'S File 2728-8

TIME FILED M.

193CFE

SEATTLE APR 5 1937 B W SCANDRETT

ST PAUL

S-1 AM WRITING TODAY AIR MAIL ABOUT KURAMOTO LEASE

W E COMAN

645PM

Seattle, Wash., April 2, 1937.

Mr. Charles Donnelly,
President.

Referring to my letter of this date about the vegetable shipping situation:

Herewith please find Mr. Williams' letter of March 31, together with copy of Mr. Stotler's letter of March 29, blueprint and proposed lease, in duplicate, to H. S. Kuramoto covering the shipping house known as the Washington Vegetable Growers' packing shed at Auburn.

Mr. Williams explains that the rental received from Kuramoto for the year ending March 30, 1937 was $750, and that we can now make a new lease for a period of five years at maximum rental of $1,000 per year by adding repairs and betterments to the warehouse at a cost of $3,995, and also make the necessary track extension to satisfactorily serve the house at a cost of $1,450, as estimated by Mr. Stotler.

While the investment to date in this house is $18,462, in view of the facilities available (most of which are located on the other railroad) as the result of the reduction in the number of shippers this year, the proposed lease is recommended, and I will be glad to have your authority by wire to proceed with the improvements and track change.

H Omer

Encl.

cc-Mr.W.C.Sloan
Mr.J.L.Burnham
Mr.A.F.Stotler
Mr.V.E.Williams (2)

PRESIDENT'S File 2728-8

Seattle, March 31, 1937.

Mr. W. E. Coman,
Vice President.

The following is the information pertaining to the lease in favor of H. S. Kuramoto covering the Washington Vegetable Growers packing shed at Auburn.

Mr. Kuramoto's lease No. 52079 on this shed was made for a period of one year expiring March 30, 1937 at an annual rental of $750.00 and he desires a new lease for a period of five years providing we will make some improvements at an estimated cost of approximately $4,000, make track extension at an estimated cost of $1450.00 and fix the rental at an amount not exceeding $1,000 per year.

This packing shed was constructed in 1931 for the Western Washington Vegetable Growers Association (Japanese), which association operated the shed for the years 1931, 1932, 1933 and 1934 under lease No. 48995 at a rental of $1522.56 per year. The Association became insolvent and the lease was cancelled on January 9, 1935. During 1935 the house was operated by F. H. Hogue, Jr., under lease No. 52027 at a rental of $750 per year and for the year 1936 it was leased, as stated above, to Mr. Kuramoto.

The original cost of the house was $15,597.37, but improvements have since been made so that the total investment to date, according to our records, is $18,462.00.

I enclose copy of Mr. Stotler's letter dated March 29 giving estimates on the cost of improvements , from which you will note that the changes and improvements in the building which are insisted upon by Mr. Kuramoto are estimated to cost $3,995.00. The other work estimated for driveway and track is not taken into consideration as a rental base because such expense has not been so capitalized in any of these packing shed leased in this territory. Mr. Grubbs and I have gone over the proposed improvements closely with Mr. Kuramoto and also with our Engineering Department and they seem essential to properly operate the house, especially in view of the fact that it is expected Mr. Kuramoto will substantially increase his volume of business this year. During the year 1936 Mr. Kuramoto shipped 296 cars from this house and over our line, producing a total revenue to our company of approximately $66,000.00.

Mr. Coman, #2.

I enclose lease in duplicate which has been executed by Mr. Kuramoto and is submitted for approval and execution by the Railway Company. You will note this lease provides, under clause one, for the building improvements estimated to cost $4,000, and, under clause two, the annual rental to be paid is to be $750.00 plus a sum equal to eight percent of the actual cost of the improvements, the maximum rental not to exceed $1,000 per annum.

This construction work should be started very soon and should be completed during the month of April if possible.

V. E. Williams,
Western Right of Way Agent.

VEW-n.
encl.
cc Mr. W. C. Sloan,
Mr. J. L. Burnham,
Mr. A. F. Stotler,
Mr. J. L. Watson.

Seattle, March 29, 1937.

Mr. V. E. Williams: Auburn, Wn. Western Producers' Exchg. warehouse. Formerly W. Wash. Veg. Growers. Prop. Addns and track chgs.

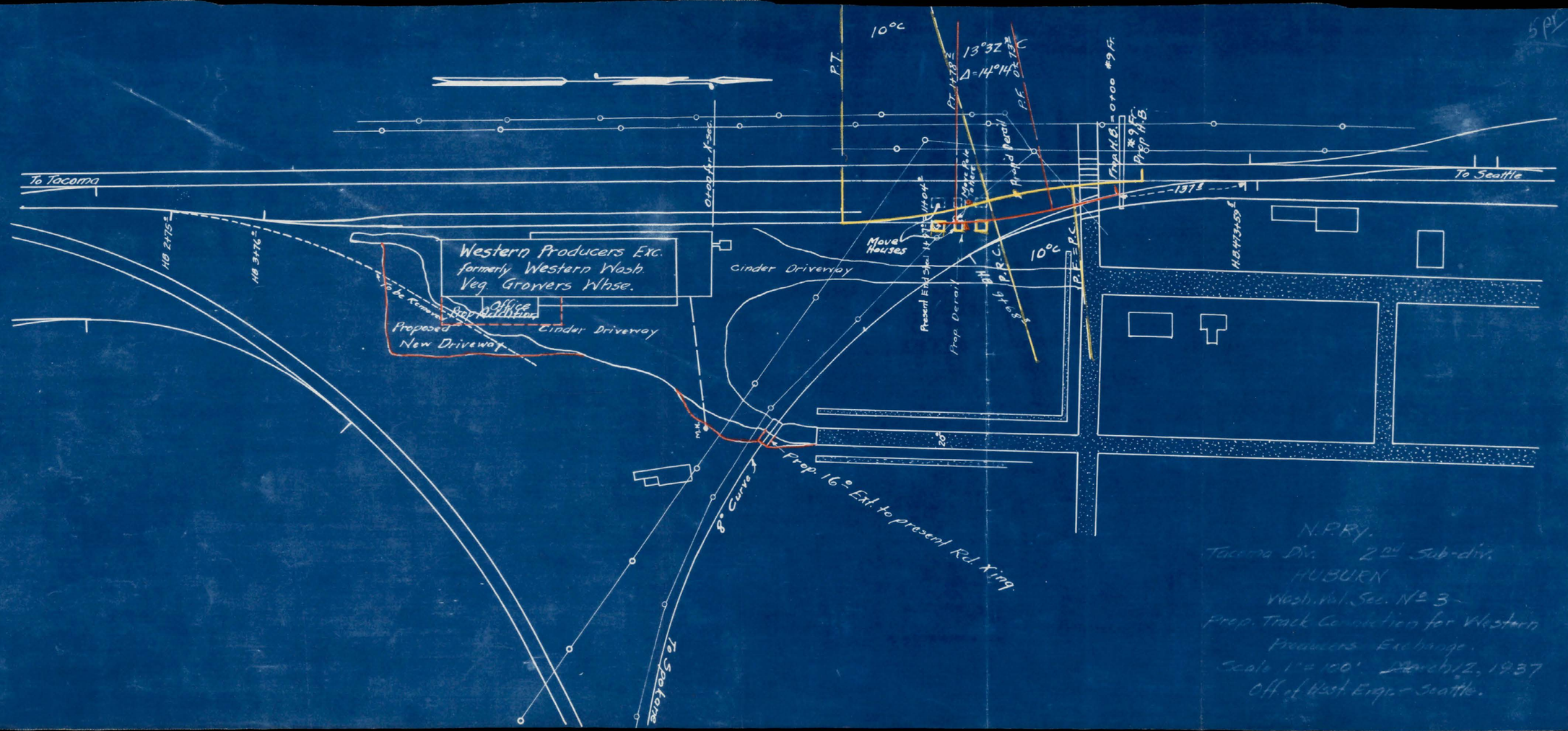
Mr. Hayward accompanied you and Mr. Grubbs to Auburn, and met Mr. Kuramoto, Manager of the Western Producers' Exchange at that place, in regard to 1937 improvements in the large vegetable warehouse, and the following was finally lined up:

1.	Place a leanto shed 30x100 for storage and making crates. (See print of layout attd. 3/12/37)	$3,995.
2.	Raise and level off for driveway on east side.	250.
3.	Account of increased car loading and to reduce switching interference it was requested that service track adjacent to building be connected up at north end to make a double ended track. This shown on print as having two possibilities -	
	(a) in red connected with south leg of wye, being main line, 1st. Dist.	1,350.
	(b) in yellow showing connection to southbound track of Seattle Terminal Line	1,450.

It is our opinion that connection shown in yellow is preferable on account of the elevation in track which it is to connect with. This will have to be passed on by the operating department.

(Sgd) A. F. STOTLER.

CC Mr. Sloan,
Mr. Blum
Mr. Taylor.


To Tacoma
To Seattle
Western Producers Exc.
formerly Western Wash.
Veg. Growers Whse.
Office
Cinder Driveway
Proposed
New Driveway
Cinder Driveway
Move Houses
Present Ext. Sec. 14
Prop. Deroy
P.R.C.
P.E.=P.R.C.
P.T.
10°C
13°32'
Δ=14°14'
Prop. H.B.
#9 F.
137±
H.B. 473+59
H.B. 2+75
H.B. 3+76
8° Curve
To Spokane
Prop. 16° Ext. to present Rd. Xing
N.P.Ry.
Tacoma Div. 2nd Sub-div.
HUBURN
Wash. Val. Sec. No 3
Prop. Track Connection for Western
Producers Exchange.
Scale 1"=100' March 2, 1937
Off. of Asst. Engr. - Seattle.

PRESIDENT'S
File 2728-8

Seattle, April 2,1937

NOTED BY
C.D.
B.W.S.
A.H.P.
L.R.F.

Mr. Charles Donnelly,
President, St Paul.

Referring to the vegetable shipping situation and my other letter of this date in regard to proposed leases to F.H.Hogue, Jr. at Kent, Wash.

In order to enlarge his present packing shed as recommended in my other letter, the two adjoining buildings facing on Smith Street at the north must be removed. These are under lease to the Kent Feed Company which has agreed to vacate under the arrangement outlined in Mr. Williams' letter, in connection with the blue print, both attached.

The Seattle Brokerage house, designated as No. 7 on the print, which we propose to sell to Shaffer Brothers for $1125.00, was as explained the first lettuce house we built at Kent, is in poor condition and has not been rented since 1930. I agree with Mr. Williams that it is a fair price which should be accepted. We would then lease the ground on which it is situated to Shaffer Brothers, who would be expected to repair and occupy the house and I will be glad if you will execute the attached bill of sale; also the lease.

This will place us in a good position at Kent for this season, where we should handle a large volume of business. As explained by Mr. Williams, we expect to also acquire the location now occupied by a building of the Kent Feed Company adjoining the present Hogue warehouse on the south and facing on Meeker Street. In order to do this it will probably be necessary to erect a building for the Feed Company at another location on our ground at Kent but in such case we would expect to make a satisfactory term lease on the usual interest rental basis. This question will not confront us definitely until next Fall, as the extension of the warehouse at present recommended and the temporary lease to Hogue of the Sawdey & Hunt warehouse will enable him to handle his business satisfactorily this season.

M Cmary

cc- Mr. W.C.Sloan
Mr. J.L.Burnham
Mr. A.F.Stotler
Mr. V.E.Williams

Seattle, March 30, 1937.

Mr. W. E. Coman,

I explained in my memo of this date about the necessity, in order to take care of F. H. Hogue, Jr., at Kent, of arranging for the cancellation of leases Nos. 29633 and 31272 in favor of the Kent Feed Company (Fisher Flouring Mills) in order that we may include in the Hogue lease lots 2 to 12, Block "D", of our Kent station plat.

Since the arrangement for the cancellation of the Kent Feed Co. lease is somewhat involved, in order to make it clear I am enclosing a portion of our Kent Station plat, showing numbered consecutively the various warehouses under consideration.

House No. 1 is owned by Shaffer Bros., feed dealers. House No. 2 is owned by the Kent Feed Company. The Kent Feed Company has agreed to make a trade of the two houses numbered 4 and 5 (lease No.26933) for the Shaffer house (No.1).

Mr. Shaffer's principal place of business is the warehouse (No. 6) covered by lease No.42938 on the west side of the track fronting on Smith Street and they have agreed to make a trade with us of their Titus Street house (No.1) for the Seattle Brokerage Company house (No.7) and in addition pay us $1,125.

The effect of this will be that we will sell Shaffer Bros. the old Seattle Brokerage Co. house (No.7) for a consideration of $1,125 and we will then lease the land to Shaffer Bros. at a rental of $50.00 per year, the lessee to pay taxes. The Seattle Brokerage house was the first lettuce house constructed at Kent, being built in 1923 at a cost of $5,013. It has not been used since 1930 and is in poor repair, all of the foundation posts needing renewal. This house was built on mud sills, not concrete blocks, which is the cause of the foundation deterioration. It is not adapted for vegetable warehouse purposes because the floor levels are wrong and that is the reason it has not been used for a number of years. I think $1,125 at least approaches the full value but, of course, Shaffer is giving up additional values to the extend of the value of Warehouse No. 1.

Under this deal the lessee will pay the taxes and also pay us $50 per year which is new revenue.

I enclose for approval and execution bill of sale covering house No. 7, in favor of Shaffer Bros. and lease, in duplicate, in favor of Shaffer Bros., covering the site. If and when these are approved we will be able to close the various arrangements. On house No. 1 we will have Shaffer Bros. give the Kent Feed Company a bill of sale direct and make assignment of their lease No.41698 to the Kent Feed Company.

This will solve all the problems excepting disposition of the Meeker Street building (house No.3) of the Kent Feed Company. You will remember from my memorandum on the Hogue deal that this location will not be required by Hogue until the first of the year and we have notified the Kent Feed Company and the Fisher Flouring Mills that we will probably expect to acquire this location on that date and you will remember you and I had a talk with Mr. Fisher and Mr. Locke in regard to the matter. Mr. Locke wants it handled at this time and is probably going to insist on our company building them a building to take its place on lots 6,7 and 8, block "C" of our station grounds, but I have told him today that there is immediate necessity for the removal of houses Nos. 4 and 5 and that we will have plenty of time to work out something on the Meeker Street corner and that I do not want that to become involved with what we are trying to accomplish now on account of the necessity for very prompt action.

VEW-L
enc.

V. E. Williams.

cc Mr. J. L. Burnham,
Mr. A. F. Stotler,
Mr. J. L. Watson.

KENT

King Co. Wash.

SEC. 24, T22 N, R4 E., WILL. MER.

Office Div. Engr. Tacoma Wash. March 28th 1908.

Scale 1" = 100'

Right of Way checked by Land Com'r's Office 4-22-08.

Corrected Sept. 24 1912
Revised 2-28-19
" as to foreign tracks 8-24-16

Revised July 31, 1923 from notes of Asst. Engr. dated 3-20-23
Aug. 11 1928 " " " " 7-1-28

Profile
Scale 1" = Horiz. 400'
Vert. 20'

Second St.
First St.
Central Ave.
State St.
Railroad Ave.
Gowe St.
Meeker St.
Smith St.
Pioneer St.
James St.
Harrison St.
Saar St.
Willis St.
Shinn St.
Cloudy Ave.
2nd St.
Gravel Road
To Tacoma
To Seattle
Block A
Block B
Block C
Block D
Block E
Block F
Block G
Block H
Depot
Store Buildings
Shell Oil Co Prope
NORTH PARK ADD.
CENTRAL ADD.
WASHINGTON ADD.
FIRST ADD.
CROSS ADD.
Scale 1" = 100' (Prof.)

PRESIDENT'S File 2728-8

NOTED BY
C. D.
B. W. S.
J. H. P.
L. R. F. ✓

Seattle, Wash., April 2, 1937.

Mr. Charles Donnelly,
President.

Referring to my letter of this date about the vegetable shipping situation:

Herewith please find copies of letter from Mr. Williams and lease for the 1937 season, it is proposed to make with the White River Packing Company at Kent. While the rental is to be $1,000 and the total investment in this shipping house is $17,967.94, you will note we were unable to collect rental of more than $750 for the 1935 season, and that it was vacant last year.

The season for the shipping and handling of vegetables is short and there is little, if any, use that the lessee can make of the facilities during the balance of the year. The White River Packing Company should increase its business materially this year due to the reduction in the number of shippers and it would require a considerable expenditure in its present facilities, on which the rent is $294.40 per year, while by moving them to the Pea Growers' shed at the proposed rental of $1,000 per annum, there will be no expense of such nature.

I will be glad to have your authority to enter into this lease and if you will telegraph me we will give possession of the house at once so that the equipment can be installed in readiness for the opening of the shipping season.

H Comey

Encl

cc-Mr.W.C.Sloan
Mr.J.L.Burnham
Mr.A.F.Stotler
Mr.V.E.Williams (2)

MEMORANDUM.

Seattle, March 31,1937.

Mr. W. E. Coman,

The following is information pertaining to lease arrangement with the White River Packing Company (Saito) at Kent:

The White River Packing Company under lease No. 44462 dated April 4, 1927, and expiring May 4, 1937, has been operating a shed constructed in 1927 at a cost to date of $3,489.73. The rental at the present time is $25.00 per year land rental plus eight percent on the cost of the building, which equals $269.40 per year.

On account of the anticipated reduction in the number of packers the White River Packing Company expects to do an increased volume of business during the 1937 season and has therefore decided to give up the packing shed under lease No.44462 and lease from us a larger shed built for the Washington Pea Growers & Shippers Association. The Washington Pea Growers shed was constructed for a Japanese Association (Washington Pea Growers & Shippers Assn.) under lease No.39184 in 1932. The total investment in the shed to date is $17,967.94.

The shed was operated by the Washington Pea Growers & Shippers Assn. during the years 1932 and 1933 when the Association got into financial difficulty, went through receivership and dissolved. During the year 1934 this shed was operated by Frank Idaka under lease No.39244. The Pea Growers Assn. and Frank Idaka under lease No.39244 contracted to pay a rental amounting to approximately $1,500 per year. During the year 1935 the shed was partially operated by Harry Kuramoto at a rental of $750 per year and the shed was vacant during the year 1936.

We have had a great deal of difficulty in inducing the White River Packing Company to take over the Pea Growers shed on account of the higher rental. They prefer to continue in their old location providing we make a considerable expenditure

for expansion and additional accommodations but while the matter is not closed, indications are that they will accept the lease for one year at a rental of $1,000 with the understanding that there will be no improvement expense. I enclose form of lease we have submitted to them and the plans cannot be consummated until Mr. Saito returns from Japan about April 15th. Mr. Hanada, his representative at Kent, has agreed to recommend execution of the lease as proposed and we will need to give him possession immediately so that he can install his conveyors and other packing equipment to be ready for the opening of the shipping season.

V. E. Williams.

VEW-L
enc.

cc Mr. J. L. Burnham,
Mr. W. C. Sloan,
Mr. A. F. Stotler,
Mr. J. L. Watson.

PRESIDENT'S File 2728-8

Seattle, April 2,1937

NOTED BY
C.D.
E.W.S.
J.H.P.
L.K.F. ✓

Mr. Charles Donnelly,
President, St Paul.

Referring to the vegetable shipping situation:

With Mr. Williams' letter of March 30 outlining the proposed lease to F. H. Hogue, Jr. at Kent, Washington, please find copies of Mr. Stotler's letter of March 27, blue print and duplicate copies of two leases.

Under the new arrangement for the handling and shipping of vegetables, Mr. Hogue expects to handle a materially increased business this year and it is necessary in order to provide him with adequate facilities to enlarge his present warehouse and lease him the use of the old Sawdey & Hunt warehouse until a still further extension can be made to his present house, after the close of this season.

Mr. Williams explains the situation and Mr. Stotler gives the estimate of the various costs. While the investment in the enlargement of the warehouse and platform is to be capitalized in the usual manner, it is proposed to move the present warehouse in order to provide loading platform and to make the track changes at our expense.

Under the circumstances I think this is proper and will be glad if you will execute the two leases and authorize the expenditure. It is necessary to begin the work at the earliest date in order to be in readiness for the packing season and I will appreciate wire authority.

H Comey

cc-Mr. W.C.Sloan
Mr. J.L.Burnham
Mr. A.F.Stotler
Mr. V.E.Williams

MEMORANDUM.

Seattle, March 30,1937.

Mr. W. E. Coman,

The following is information pertaining to the F.H. Hogue, Jr. lease arrangement at Kent.

We originally under lease No.48941 dated May 1, 1931, term five years, constructed a vegetable packing shed 50 ft. x 165 ft. at a cost of $7,086.21.

This lease was superseded by lease No. 52296 dated April 17th 1934, term five years, under which an extension to the packing shed was constructed 50 ft. wide x 75 ft. long at a cost of $4,436.14 so that the total investment in the building to date is $11,522.35 and the dimensions of the building are 240 ft. x 50 ft. The annual rental paid is $115 for land rental plus 8 percent on the total cost of the building, making the total annual rental $1,036.79.

During the year 1936 Mr. Hogue shipped 231 cars through this house and over our line, producing a total revenue to the Northern Pacific of approximately $52,000.

It is expected that Mr. Hogue will handle a substantially increased volume of business during the 1937 season for which he will require increased packing shed facilities and in connection therewith he is definitely planning to enter into the processing of vegetables by freezing so that he will require our entire Block "D" between Meeker and Smith Streets, necessitating the cancellation of Kent Feed Company leases Nos. 26933 and 31272, covering warehouse locations at either end of the block, for which cancellation arrangements are being undertaken and will be covered in a separate memorandum.

I also enclose Mr. Stotler's report dated March 27th covering the additions now required to the present packing shed and involving the moving of the present building 4½ feet east in order to give room for a platform on the track side 4½ feet wide, which platform is definitely necessary in connection with Mr. Hogue's development plan.

I enclose lease, in duplicate, which has been executed by Mr. Hogue and is submitted for approval and execution by the Railway Company. You will note this lease under clause No.1 provides for the moving of the building by the railway company and construction of warehouse and platform additions. Under item 1 in Mr. Stotler's report the moving of the building is estimated to cost $1,650 and the 4½ foot platform $300. In preparation of the lease the moving of the building, estimate $1,650, is not capitalized as a rental base, only the platforms and 60 foot warehouse addition, total estimate $6,320. No track expense has been so capitalized in any of our packing shed deals.

Attention is called to clause No.19 providing for the cancellation of the Kent Feed Company lease No. 31272, covering the Meeker Street frontage. Mr. Hogue will not need this area at present but will require it about January 1st when he expects to construct an ice plant and refrigeration plant at an expense of about $60,000 to himself but will undoubtedly call upon the railway company to construct the warehouse, the cost of which has not been estimated.

Temporarily and until Mr. Hogue can get possession of the Meeker Street frontage (Lease No.31272) he will use the old Sawdey & Hunt house located on lots 21 to 24, Block "D" and I enclose in duplicate lease covering the same which has been executed by Mr. Hogue and is submitted for approval and execution by the railway company. This Sawdey & Hunt house was vacant up to August of last year and then was leased to a Japanese, G. S. Wumino, et al., under lease No.54647. Wumino has left Seattle and did not pay the installment of rental due on February 15th, amount $150.00, and our information is that he will not attempt to operate in Kent the coming season. This lease was promoted by the Great Northern and I have been advised by Mr. Dye of the traffic department of the Great Northern that the packing equipment in the house belongs to the Great Northern and that it will be removed. We have therefore served formal notice of cancellation of lease No.54647 so that the record will be clear for the new Hogue lease.

I wish to explain that Mr. Grubbs and I have been active in negotiations with Mr. Hogue for the past month.

The Union Pacific and the Milwaukee definitely made him a proposition to construct the warehouse he requires on the Milwaukee Line at Kent, for which they have ample space and we can find no way of holding Mr. Hogue to our line unless the leases submitted are approved by our company. It is also a fact that work on moving of the building and construction of the additions should start very soon because Mr. Hogue must be ready when the packing season opens.

VEW-L
enc.

V. E. Williams.

cc Mr. J. L. Burnham,
Mr. A. F. Stotler,
Mr. J. L. Watson.

copy

Seattle, Wash.,
March 27, 1937.

Mr. V. E. Williams: 1085-12

Kent, Wash.: Proposed moving and extension of vegetable warehouse occupied by F. H. Hogue.

You requested that a representative of the Engineering Dept. meet with you and Mr. Grubbs to go over the matter of additional improvements and changes in lettuce houses in the White River Valley on account of the State Legislature having recently passed an Act licensing produce dealers, which forced the lettuce growers to form an association and in accordance with same, in order to safeguard their interests, it was necessary for the lettuce packers to line up with the growers so it finally developed that one of the small packers in the Valley would be located on the Milwaukee-Union Pacific, at Auburn, and that four would be located on the Northern Pacific, namely, F. H. Hogue, Kent; White River Packing Co., Kent; Kuramoto, Auburn; and Puget Sound Vegetable Growers, Sumner.

In connection with these packers locating on the Northern Pacific, it was necessary to make certain improvements to permit of handling the increased business more economically, for the reason that their forces are all unionized and labor costs have gone up so it was necessary to arrange facilities to make a saving and keep expenses down as lowaas possible.

Mr. Hayward made several trips on the ground with you and Mr. Grubbs, going over the matter and working out the plans desired by the packers and this report will cover the F. H. Hogue warehouse, Kent, for which the following work is to be done:

1. It will be necessary to have a platform on track side sufficiently wide to place conveyor for loading cars, which necessitates moving warehouse 4½ ft. to East, $1,915.

2. Construct 60' addition and open platform 74'x65' on North end, to extend to Smith St. 6,020.

3. Lower service track and crossover at North end of Hogue Bldg. which will involve readjustment of grades across Smith St. 1,300.

Forward $9,235.

4. In order to construct addition and open platform of Item 2 it is necessary to move buildings now occupied by Kent Feed Co., one bldg. 40'x90' to be to be dismantled for value of bldg. by an outsider; and a second bldg. 24'x50' to be moved to the block South of the Depot on East side, 150.

Total, $9,385.

(I think it would be safe to use a figure of between $9,500. and $10,000.)

We have actual bids on Item 1 for moving the warehouse.

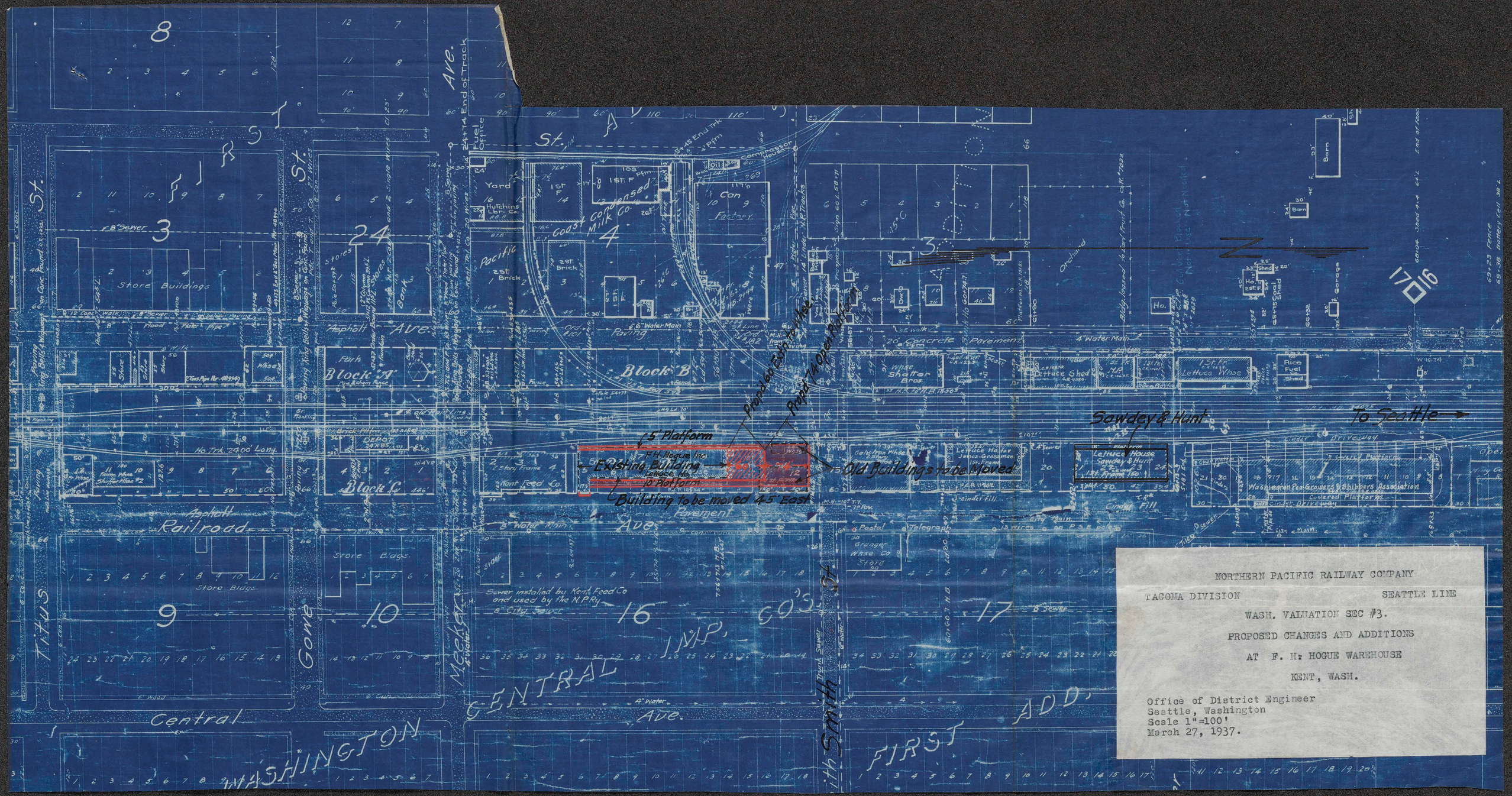
For Item 4 there may be a change, due to your recent dealings with tenants of the two houses, of which we have no information.

It is my understanding that you wish this information immediately for securing approval of the work and reaching an agreement with Mr. Hogue. Print of station plat is attached, showing proposed work.

(sgd) A F. Stotler
Asst. Chief Engineer.

AFS-L
encl.

Copy to Mr. Sloan
Mr. Blum
Mr. Taylor


NORTHERN PACIFIC RAILWAY COMPANY
TACOMA DIVISION
SEATTLE LINE
WASH. VALUATION SEC #3.
PROPOSED CHANGES AND ADDITIONS
AT F. H. HOGUE WAREHOUSE
KENT, WASH.
Office of District Engineer
Seattle, Washington
Scale 1"=100'
March 27, 1937.
5' Platform
Existing Building
Building to be moved 45' East
Old Buildings to be Moved
Sawdey & Hunt
To Seattle
Block "A"
Block "B"
Block "C"
Store Buildings
Asphalt Railroad
Central Ave.
Washington Ave.
First Ave.
Smith St.
Meeker St.
Gowe St.
Titus St.
Kent Feed Co.
Lettuce Shed
Lettuce House
Washington Pea Growers & Shippers Association
Covered Platform
Cinder Driveway
Cinder Fill
Paving
Concrete Pavement
4" Water Main
8" Sewer
Sewer installed by Kent Feed Co and used by the N.P.Ry.
8" City Sewer
Pacific Coast Condensed Milk Co.
Factory
Barn
Garage
Orchard
Ho. Trk. 2400' Long

PRESIDENT'S
File 2728-8

Seattle, Wash., April 2, 1937.

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

Mr. Charles Donnelly,
President.

When Mr. Scandrett was here last month we explained to him in a general way, the situation in the lettuce and vegetable district between Seattle and Tacoma, where the number of shippers will be confined to five this year, and I am attaching Mr. Williams' memorandum explaining the situation and showing that houses will be operated as follows:

On Northern Pacific

Auburn	1	
Kent	2	
Sumner	1	
Seattle	1	- Space in freight house.
Woodinville)	1	- Located on Belt line on east side of Lake Washington.
Earlmont)	1	

On Milwaukee-Union Pacific

Auburn	1

This will leave three vacant houses on the Northern Pacific--one at Auburn and two at Kent; five vacant houses on the Milwaukee-Union Pacific, and in addition vacated space in their Seattle freight houses.

Mr. Williams and our traffic people have been keeping in close touch with the situation for some time and, while the business has been unionized and will be controlled by Dave Beck of the Teamsters' Union in Seattle, there is every reason to believe that the results will be more satisfactory to the grower who has not prospered during past years. One of the principal reasons is that the fly-by-night commission man will not be allowed to enter the field as has been the case heretofore and only legitimate concerns, comprising the Washington Produce Shippers Association, Inc., who were granted licenses by the Director of Agriculture of the State, will be permitted to handle the business.

This, as above stated and as explained by Mr. Williams, will reduce the number of packers and shippers to six and all but one - the Sumner Packing Company at Auburn - will operate in houses located on the Northern Pacific. In order to hold the business to our line we have had to make some concessions and I am sending you today papers in lease arrangements which we desire to enter into with the White River Packing Company at Kent, F. H. Hogue, Jr., at Kent and H. S. Kuramoto at Auburn.

Notwithstanding that the changes in the leases as proposed were necessary to hold the business to our line, we are all agreed that they are proper and recommend them. I hope they will receive your approval and, as explained in each case, quick action is necessary. It has been impossible to bring the matter to a head at an earlier date as the arrangements incidental to the formation of the Washington Produce Shippers Association, Inc., required so much time.

For your information, I am also attaching report from Mr. Williams explaining why the Charmed Land Vegetable Growers, Inc., who are located in our Seattle freight house, also at Woodinville and Earlmont, will be the only shipper under the Association who will operate in Seattle during the 1937 season.

H Conway

Encl.

cc-Mr.J.L.Burnham
Mr.W.C.Sloan
Mr.A.F.Stotler
Mr.V.E.Williams (2)

MEMORANDUM.

Seattle, March 1, 1937.

Mr. W. E. Coman,

The following general information about the vegetable packing industry may be of special interest to you in considering the various arrangements we are now proposing in this district.

1. There has been organized among the packers the "Washington Produce Shippers Association, Inc." designed to protect the growers from irregular operators and to protect the substantial packers against illegitimate competition. Heretofore practically every year there has appeared in this territory packers who were irresponsible financially but succeeded in securing credit for supplies for growers, such as fertilizer and seed and made arrangements for packing sheds, ice and packing house equipment, etc., and at the end of the season their bills were unpaid and only partial settlements made with growers. This new association is using extreme care this year and working in close touch with the State Director of Agriculture and refuses to admit as a member of the association any packer who cannot demonstrate his financial responsibility and reputation for fair practices.

The officers of this association are: Frank Hogue, Jr., President; Thomas Iseri, Vice President; Floyd Oles, Secretary and Manager. Board of Directors: Juro Yoshioka, Henry Aries and Jubo Yasumura.

2. Largely through the influence of this association the last legislature passed a marketing act, Chapter 67 of the laws of 1937, which act Mr. Eastman of our law department has briefly summarized as follows:

> "Chapter 67 relates to the licensing of persons engaged in the state in buying and selling agricultural products as commission merchants, dealers, brokers, or agents of commission merchants or dealers. Under the act agricultural products include any horticultural, viticultural, berry, poultry, grain, livestock, bee or other farm products."

"The provisions of the act do not apply to any person who sells exclusively his own products or to a retail merchant selling agricultural products, nor to certain cooperative marketing associations, but provides otherwise that no person or firm shall sell or offer for sale or promote the sale for the purpose of resale or processing of agricultural products without a license as provided in the act.

Licenses are issued by the Director of Agriculture upon applications made therefor. If the applicant is a dealer in agricultural products and no part of his business is conducted as a commission merchant, the license fee is $25.00. If the applicant's business is that of a commission merchant, the license shall be issued on payment of a fee of $25.00 and the furnishing of a bond in the sum of $5,000 with sufety satisfactory to the Director. The brokers' and agents' license are each $2.00.

The act further provides that every commission merchant or dealer licensed under the act shall keep certain complete records of all dealings in agricultural products, showing the name of the consignor, the amount purchased, the price paid and to whom sold, and that all books and records and the premises, warehouses and other facilities of the licensee shall be open to inspection or audit by the Director or his agents. Commission merchants are required to file with the Director a schedule of commissions and charges for his services, and is not permitted to deviate from such charges during his licensed period, The act further provides that the Director may, after investigation and for any violation of the act, cancel any licenses, and the Director is authorized to refuse to grant a license where he is satisfied that the applicant's dealings are of such nature as to indicate his inability to properly conduct the business of commission merchant or dealer."

2. The laborers at all of these packing houses to be operated by the members of the Washington Produce Shippers Association are to become members of the Teamsters Union

(Dave Beck) and as a result it is not expected that there will be any labor trouble and that the Association will have the Teamsters Union cooperation.

3. The outlook at the present time is that only the following packers will operate:

Puget Sound Vegetable Growers Assn., at Sumner.
Harry Kuramoto and the Sumner Packing Company, at Auburn.
F. H. Hogue, Jr., and the White River Packing Company, at Kent.
Charmed Land Vegetable Growers Assn., at Seattle, Woodinville and Earlmont.

All of these packers will operate sheds on the Northern Pacific tracks excepting the Sumner Packing Company at Auburn, which will operate a small shed (35'x200') on the Milwaukee at Auburn.

The Northern Pacific will have one vacant packing shed at Auburn, being the small shed formerly leased to the White River Packing Company and two vacant sheds at Kent, one formerly leased to the White River Packing Company and the other to Jones Grossman.

The Milwaukee will have one vacant shed at Auburn, two at Sumner, three at Kent and both the Milwaukee and the U.P. are not expected to have packers in their freight houses at Seattle where each had one packer last year. However, the Milwaukee and Union Pacific are making an effort to secure other responsible packers to operate some of their sheds and they may yet be successful, providing any such packers can break down the alliance that is claimed between the growers and the Washington Produce Shippers Association. The growers have been working closely with the Washington Produce Shippers Association and their theory is that by reducing the number of operated houses to the necessary requirement it will not only result in dealing with responsible packers but will have a tendency to reduce operating expense which growers have to assume in the end and assume directly in the case of the operation of associations houses, such as the Puget Sound Vegetable Growers at Sumner.

VEW-L

V. E. Williams.

cc Mr. J. L. Burnham, Mr. A. F. Stotler,
Mr. J. L. Watson, Mr. W. C. Sloan.

MEMORANDUM.

Seattle, March 31, 1937.

Mr. W. E. Coman,

I have explained to you in another memorandum that the present outlook is that the only vegetable shipper under the Washington Produce Shippers Association to operate in Seattle during the 1937 season will be the Charmed Land Vegetable Growers, Inc., and so far the indication is that the packing houses in the Milwaukee and Union Pacific freight sheds will not be used as heretofore.

The Charmed Land Vegetable Growers operate in our freight shed No. 2 under lease No.52047, which lease was made for a term of five years, expiring June 30, 1940. In addition the Charmed Land will operate the packing sheds at Woodinville and Earlmont, both of which, as you know, are exclusively on our trackage. These sheds are located on our land but are not owned by the railway company.

Last year the shed at Woodinville, which is owned by the Woodinville Mercantile Company, was operated by George Iida, a Japanese in partnership with Harold Bowers, who got into bad financial straights and left a bad record for their season's operation. The shed at Earlmont was operated by the Sammamish Packing Company, being a group of Italian growers.

The Sammamish Packing Company and the Charmed Land Vegetable Growers, all Italians, have members that belong to both associations and trouble arose under which dissatisfied members came to us and wanted another shed built.

Mr.Grubbs tried to arrange for the Charmed Land to take over the operation of both sheds but ran into difficulty in trying to perfect such an arrangement because the Sammamish Packing Company group had an investment in Earlmont and wanted a payment of $15,000 for this ownership. Mr. Grubbs finally arranged for a meeting and the contending parties agreed to submit the matter to arbitration, Mr. Grubbs and myself to constitute the Board of Arbitration, and the Charmed Land to pay the amount of the award. Representatives of the two groups met with Mr. Grubbs and myself in this office when the

matter was settled and subsequently worked out by the Summamish Packing Company retiring completely from operation for a consideration of $10,000 payment for their packing shed and equipment so that the Charmed Land will this year handle the operation both at Woodinville and Earlmont as well as at Seattle.

It is expected that the Charmed Land will have an increased volume of business at Seattle this year and we have therefore agreed to lease to them for the packing season to handle their overflow business the space heretofore used for packing shed in our freight house No. 1.

VEW-L

V. E. Williams.

cc Mr. J. L. Burnham,
Mr. A. F. Stotler,
Mr. W. C. Sloan,
Mr. J.L.Watson.

PRESIDENT'S
File 2728-8

March 27, 1937

Mr. Watson:

Mr. Williams submits new lease to H. S. Kuramoto to supersede his present lease No. 52079 covering lettuce warehouse at Auburn which expires March 31, 1937.

Herewith comparison of rental under present and proposed leases together with remarks showing what the Railway Company contemplates doing under the proposed lease:

Present lease

Term	Annual Rental
1 Yr. from 4/1/36	$750.00 plus $4.00 per car loaded in excess of 187 cars.

No tax clause

Proposed lease

Term	Annual Rental	Improvements
5 Yrs. from 4/1/37	$750.00 plus 8% on cost of additions and improvements, payable in installments of $250 before April 1st, and the remainder before July 15 each year.	Rearrange office and make an extension to present structure to provide additional crate room and rearrange plumbing to provide women's rest room, estimated to cost $3995.00.

No tax clause

O. A. L.

OAL/hb

8% on 3995 = $319.60

$750
319.60
$1069.60

PRESIDENT'S
File 2728-8

Seattle, March 17,1937

NOTED BY
C.O. P
B.W.S. ✓
J.H.P. ✓
L.R.E. ✓

4/10

Mr. J. H. Poore,
Executive Assistant, St Paul.

Referring to my letter of December 18,1936, in regard to outstanding indebtedness of the White River Packing Company.

Mr. Williams is unable to get any action on this at the present time. Mr. Saito was called to Japan in January on account of the death of a relative there and while he expected to return in March, our information now is that he will not return until the middle of April. There is no one here representing the White River Packing Company who has authority to handle these lease matters so it will be necessary to defer their consideration until Mr. Saito returns, at which time Mr. Williams will see him and try to get the matter fixed up.

W. E. Comany

PRESIDENT'S File 2728-8

Seattle, Wash., December 18,1936

NOTED
C.D.
B.W.S.
J.H.P.
L.R.F.

Mr. J.H.Poore,
Executive Assistant.

Referring to your letter of November 28 in regard to outstanding indebtedness of the White River Packing Company:

The creditors' meeting has not yet been called. For your information I am enclosing herewith copy of letter dated December 14 received by Mr. Williams from the Packing Company remitting $200 to apply on the outstanding rentals and copy of Mr. Williams letter of December 17th transmitting this amount to Mr. Watson.

I have asked Mr. Williams to watch this matter closely with a view of securing another payment early next year if possible.

W E Conway

COPY

Seattle, December 17th, 1936.

Mr. J. L. Watson,
Right of Way Commissioner,
St. Paul, Minn.

I furnished you and Mr. Stetekluh with a copy of my memorandum dated November 17th to Mr. Coman relative to outstanding rental of the White River Packing Co. on the Kent, Midlakes and Auburn leases.

I now enclose copy of letter dated December 14th received from the Packing Company remitting $200 to apply on outstanding rentals. I enclose draft No. C-6367, covering the amount which I suggest be applied in payment of rental on the Kent lease, No. 44462.

After this rental is applied I shall appreciate it if Mr. Stetekluh will send me a new statement showing the outstanding account on the three leases.

(Signed) V.E. Williams

Western Right of Way Agent

cc-Mr.W.E.Coman
Mr.J.L.Burnham
Mr.F.W.Stetekluh

Copy for Mr.J.H.Poore

C O P Y

WHITE RIVER PACKING COMPANY

Kent, Washington
December 14, 1936.

Northern Pacific Railway Co.,
Right of Way Department,
Seattle, Washington.

Gentlemen:

Please find enclosed check for $200.00 to apply on rentals.

We thought we had to liquidate our firm if we were pressed hard for the payment of the old debts after three or four poor business years.

But as most of our Creditors were lenient enough to say for us to keep on operating as they think no use of going broke now when the things started look bright for some time future and think we should come out all right in next year or two, they were willing to carry us on and still give us more credit for the next year's business.

If possible, will make another payment next January or February.

Thanking you for your future and past cooperation, we are.

Yours very truly,

WHITE RIVER PACKING COMPANY

By (Signed) K. Hanada
Sec.-Treas.

Copy for Mr. J. H. Poore

PRESIDENT'S
File 2728-8

12/28

Copy

St. Paul, Minn.
December 18, 1936

NOTED BY

Mr. F. W. Stetekluh:

Replying to your letter December 14 about the White River Packing Company account:

This concern apparently is going into receivership, and Mr. Williams reports that he and a member of our Law Department will attend a meeting of creditors in the near future. Mr. Williams is following this matter closely and will keep us posted on the situation.

For your information this delinquency has heretofore been called to the attention of our Executive Office.

J. L. WATSON

Right of Way Commissioner

HEH hb

CC - Mr. J. H. Poore
Mr. V. E. Williams

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., November 28, 1936.A3

2728-8

~~12/15~~ 12/28

Mr. W. E. Coman,
Vice President.

Referring to your letter of November 24, in regard to outstanding indebtedness of the White River Packing Company:

I assume that you will advise what transpires at the creditors' meeting, referred to in Mr. Williams' letter to you of November 17.

(Signed) J. H. FOORE

PRESIDENT'S
File 2728-8

At Spokane, Wash., November 24, 1936.

NOTED BY
C.D. .....
B.W.S. .....
J.H.P. .....
L.R.F. ✓

Mr. J. H. Poore,
Executive Assistant.

Your letter twentieth, regarding the outstanding account of the White River Packing Company:

Attached is copy of Mr. Williams' report of November 17 stating that Mr. Saito, the head of the packing company, will call a meeting of his creditors on or about December 1 with a view of asking for a receivership. I instructed Mr. Williams to attend the meeting with one of our attorneys and will advise you the result.

R E Coman

Encl.

PRESIDENT'S
File 2728-8

MEMORANDUM.

Seattle, November 17,1936.

Mr. W. E. Coman,

Referring to your letter of November 6th, Mr. Saito of the White River Packing Company returned to Seattle the latter part of last week and I talked with him in detail today about our rental account.

He states that he is preparing to call a meeting of his creditors on or about December 1st, at which time he expects to ask for a receivership because he is convinced that he cannot continue to operate with his present financial situation.

Roughly he states that the White River Packing Company's financial situation is about as follows:

Liabilities:

Magnolia Fertilizer Co., Seattle,	$3,000.00
Spruce Veneer Corporation, Puyallup,	3,500.00
Zellerbach Paper Co.,	3,300.00
Washington Cooperage Co.	500.00
E.K. Saito,	10,000.00
N.P. Ry.Co. account rental leases Midlakes, Auburn and Kent to November 30th,	1,841.59
Total.....	$22,141.59

Assets:

Advances to growers and growers accounts,	$40,000.00	
Other assets consisting of equipment, supply inventories, etc.,	6,000.00	$46,000.00

Mr. Saito's explanation for taking this position is that we have been pressing him pretty hard for at least a substantial payment on his rental account,which is quite seriously

delinquent although the total amount is not so large. He claims he cannot pay anything on the account at this time and he cannot pay anything on the other outstanding accounts, although he states that his other creditors have not pressed him. However, he states that even if he could squeeze out a little cash and make some payments to us he does not think it would be fair to do so without making a prorata payment to his other creditors and therefore he does not see any way to handle the matter but to get the creditors together and reach a decision about the future of his company and he does not see any way out but receivership.

Mr. Saito states that the Growers account does not mean anything at the present time since he has made every effort to make collection and he does not think there is any way to convert any of these accounts into cash at the present time.

I assume the only thing to do is to attend the creditors' meeting when it is called and I think it would be advisable at the time to have one of our attorneys present. The meeting will probably be held in Seattle.

V. E. Williams.

VEW-L

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

PRESIDENT'S File 2728-8

St. Paul, Minn., November 20, 1936. A3
2728-8

Mr. W. E. Coman,
Vice President.

Have you heard anything more from the White River Packing Company with respect to rental on lettuce warehouses at Kent, Auburn and Midlakes? The last I have on my file is your letter of October 13.

(Signed) J. H. POORE

PRESIDENTS
File 2728-8

Seattle, Wash., October 13, 1936.

C.O. P
B.W.S. ✓
J.H.P. ✓
L.R.F. ✓

10/30
11/13 11/20

Mr. J. H. Poore,
Executive Assistant.

Referring again to your letter of September 12 and my reply of the sixteenth, about the rental situation in connection with the White River Packing Company's leases at Kent, Auburn and Midlakes:

Mr. Williams has been endeavoring to get in touch with Mr.Saito, but has been unable to do so due to the latter's absence in Idaho the past two or three weeks looking after his celery shipments from that locality. Saito is expected to return to Seattle next Saturday and Mr. Williams will contact him as soon as he can.

I will keep you advised.

W E Crosby

cc-Mr.V.E.Williams

PRESIDENT'S
File 2728-8

Seattle, Wash., September 16,1936

NOTED BY
C.D. ✓
B.W.S. ✓
I.H.P.
L.R.F. ✓

Mr. J. H. Poore,
Executive Assistant.

Your letter of September 12 about the rental situation in connection with the White River Packing Company's leases at Kent, Auburn and Midlakes.

Mr. Williams states Mr. Saito made a remittance of $500 during the latter part of July, which was applied on the Kent lease, leaving rental unpaid as of August 31,1936 as follows:

Lease 44462,	Kent	$ 148.37
Lease 49094,	Auburn	1013.75
Lease 52043,	Midlakes	425.00
	Total	$1587.12

Mr. Williams talked with Mr. Saito yesterday and the latter promised he would take care of the entire rental account within the next two weeks. I will let you know shortly after the first of next month whether or not he does so.

W. G. Conway

NOTED BY
C. D. P
B. W. S. ✓
J. H. P. ✓
L. R. F.

PRESIDENT'S
File 2728-8

St. Paul, Minn., September 15, 1936. A3

2728-8

Mr. W. E. Coman,
Vice President.

I attach a copy of my letter of this date to Mr. Watson, in regard to rental payments which will fall due between August 1, 1936 and April 1, 1937, on the Jones-Grossman Company lease of lettuce warehouse at Kent, Washington.

On September 11 Mr. Williams reported to Mr. Watson that Mr. Grossman would not be able to make further rental payments until April 1, 1937, and it is evident from that report that there is nothing for us to do but to give Mr. Grossman the relief he has requested. However, I think in a matter of this kind Mr. Williams should be instructed to obtain your recommendation before writing to Mr. Watson.

(Signed) B. W. SCANDRETT
P

NOTED BY
C. D. .....
W. S. .....
J. H. P. .....
L. R. F. .....

PRESIDENT'S FILE 2728-8

St. Paul, Minn., September 15, 1936. A3

2728-8

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of September 14, in regard to rental under the Jones-Grossman Company lease covering lettuce warehouse at Kent:

In the light of the information given in Mr. Williams' letter to you of September 11, I do not see any course open to us but to grant extension to April 1, 1937 on rental payments which will accrue between August 1, 1936 and that date.

(Signed) B. W. SCANDRETT
P

cc-Mr. W. E. Coman.

September 14, 1936.

Mr. B. W. Scandrett:

Lease No. 52035 to Jones-Grossman Company for lettuce warehouse at Kent, Washington, provides for rental of $513.28 per year, payable in monthly installments. The lessee has just paid rent for four months up to August 1, 1936 amounting to $171.08.

Mr. Williams reports the lessee will have no funds until he again commences operating, and if the Railway Company and other creditors are not willing to give him until next April it will be necessary for the lessee to liquidate the Jones-Grossman Company which means a substantial loss to all the creditors.

Mr. Williams recommends extension of time on payments to accumulate until April 1st, 1937. I concur in his request. Do you approve?

J. L. Watson

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
L. R. F. ✓

PRESIDENT'S
FILE 2728-8

9/30

St. Paul, Minn., September 12, 1936. A3

2728-8

Mr. W. E. Coman,
Vice President.

On October 21, 1935, you wrote me with respect to delinquent rental on lettuce houses at Kent, Auburn and Midlakes, but since that time I have heard nothing with respect to the matter. Now that the 1936 lettuce season is drawing to a close, I would like to be advised what is the present status of rental payments on these houses. Will you please have Mr. Williams furnish these figures.

(Signed) J. K. MOORE

NOTED BY
C. O. B.
B. W. S.
J. H. P.
L. R. F.

2728-8

St. Paul, Minn., December 26, 1935. A3

1/10/36

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of December 23, in regard to proposed lease to F. S. Kurmoto of the vegetable packing shed at Auburn, Washington:

Mr. Comsn wrote me on December 20 recommending the approval of this lease. As the proposed arrangement appears to be the best that is possible at the present time, I have executed both copies of the lease and return them herewith.

BWS.

(Signed) B. W. SCANDRETT

cc-Mr. W. E. Comsn.

2728-8

December 23, 1935.

Mr. B. W. Scandrett:

The vegetable packing shed at Auburn, Wash., leased to F. H. Hogue, Jr., under lease No. 52027 will terminate March 31, 1936, and Mr. Hogue has advised us he will not require the shed for next season. The Hogue lease was made at a flat rental of $750.00 per year, but the cold storage rooms are not included in that lease.

It is proposed to lease the entire shed to H. S. Kuramoto for period of one year commencing April 1, 1936. The minimum rental is fixed at $750 per year, but with a provision for an additional payment of $4.00 per car for any cars shipped in excess of 187.

The lease to Kuramoto is approved by the various West End officers and is also approved by Mr. Clark. Lease, in duplicate, is handed you herewith and I recommend the execution of the same.

J. L. Watson

JLW-M

2728-8

12/29

Seattle, Wash., December 20, 1935.

NOTED BY
C.D. P
B.W.S. ✓
J.H.P. ✓
L.R.F. ✓

Mr. B. W. Scandrett,
Vice President.

Please refer to your letter of April 9, 1935 in reply to mine of April 6, regarding lease No. 52027 to F. H. Hogue, Jr., covering warehouse at Auburn:

Mr. Williams wrote Mr. Watson on December 18 enclosing a new lease on this warehouse to Harry Kuramoto for the year commencing April 1, 1936 at a minimum rental of $750.00 with additional payment of $4.00 per car for all cars shipped in excess of 187.

While I approved the lease, am writing you to say that I think this is the most desirable arrangement that can be made at this time. These vegetable shippers ordinarily use the warehouses only during a portion of the year and our experience has shown that unless a good crop is raised they cannot very well pay rental based on continuous use throughout the year.

W E Coman

cc-Mr.J.L.Burnham
Mr.V.E.Williams

Hold for letter from J.L.W.
JHP
1/7/36

2728-8

NOTED BY
C.D. P
B.W.S. ✓
J.H.P. ✓
L.R.F. ✓

December 19, 1935.

Mr. B. W. Scandrett:

Please refer to your letter of December 20th last about indebtedness of the Washington Pea Growers Association under their cancelled lease at Kent, Wash.

Since your letter was written, Mr. Williams has made a further investigation of the affairs of the defunct Company and has again submitted to Western Counsel all information he was able to secure concerning other creditors. Mr. Macfarlane has now written Mr. Williams he is of the opinion it would be a waste of money for the Railway Company to go to the expense of taking legal action as apparently the other principal creditors are of the opinion the alleged assets of the Association are valueless and have simply written their accounts off as bad debts.

In line with the authority given in your letter, I am requesting the Accounting Department to write off our bills as uncollectable.

J. L. Watson

2728-8

NOTED
C.D. P
B.W.S.
J.H.P.
L.A.V.

October 30, 1935.

Mr. J. H. Poore:

I attach for your information copy of Mr. Williams' letter of October 26th about delinquent rents on leases to the White River Packing Company at Kent, Auburn and Midlakes.

J. L. Watson

JLW-M

COPY

Seattle, October 26, 1935.

Mr. J. L. Watson
Right of Way Commissioner
St. Paul, Minn.

According to my record the White River Packing Company owes us rental to October 31, 1935, as follows:

Lease No. 44462 at Kent	$380.00
Lease No. 49094 at Auburn	599.94
Lease No. 52043 at Midlakes	175.00
Total	$1,154.94

So far as I know there has been no rental paid on any of these three leases during the current year. The Packing Company has lost money heavily, particularly during the 1935 season and while we have frequently pressed them for payment of this rental, Mr. Saito and Mr. Hanada, officers of the Association, have admitted their responsibility but stated that they had no money available and could make no payment. We have been trying to get from them a comprehensive statement of their financial condition and Mr. Grubbs in a talk he had with Mr. Saito yesterday secured a statement which is fully explained in his memorandum of this date to Mr. Burnham, a copy of which is attached.

Mr. Burnham, Mr. Grubbs and I discussed the matter with Mr. Coman at his office yesterday when a conclusion was reached that in view of the financial situation of the White River Packing Company there is no action that we can take at this time that is likely to result in collection of any substantial part of our bill and we are in agreement with Mr. Saito and other creditors that the best course to pursue is to await development of next seasons operation which, if successful, will result in the Packing Company being able to collect a substantial amount of its outstanding notes when we probably will be able to collect all or a substantial part of the accumulated rental.

If we should require the Packing Company to liquidate we would certainly have the three packing houses on our hands for the next six months with no prospect of securing any rental whatever and we would still have to wait the development of next season's operation in the vegetable packing

business for any revenue. Beofre the 1st of next April Mr. Saito will have to reach some understanding with his creditors and in addition probably have to secure some bank credit if he is to operate next season and we are therefore taking no risk in waiting for this development, particularly since we are one of the smallest creditors. It is my understanding that Messrs. Coman, Burnham and Grubbs agree with this conclusion.

V.E.Williams
Western Right of Way Agent

VEW-L
enc
cc: Mr. W. E. Coman
Mr. J. L. Burnham
Mr. F. W. Stetekluh

2728-8

Seattle, Wash., October 21, 1935.

Mr. J. H. Poore,
Executive Assistant.

Answering your letter of October 10 regarding the delinquent rental on the lettuce houses at Kent, Auburn and Midlakes:

We have this matter closely in hand and every effort has been made to make collections. Mr. Williams has kept in close touch with me and I am convinced he has collected every dollar possible up to date. When these lettuce shippers do not have a successful season they have no money left and we cannot very well force collection. If the members of the Association are hard pressed they will not continue their efforts in the industry.

For your information, Mr. Williams reported to me on October 18 as follows:

> "Replying to your letter of October 14th about delinquent rental bills against the White River Packing Company (Mr.Saito):
>
> "I have been pressing Mr. Saito and Mr. Hanada very hard recently about payment of these bills and I am in hopes in a few days that I will have something definite."

We will continue to keep in close touch with the situation.

R E Lomax

NOTED BY.
C. D. ✓
B. W. S.
J. H. P. ✓
E. M. W. ✓
L. R. F. ✓

2728-8

10/25

St. Paul, Minn., October 10, 1935.A4

Mr. W. E. Coman,
Vice President.

I attach copy of letter which I have received from Mr. Stetekluh with respect to delinquent rentals under lettuce warehouse leases at Kent, Auburn and Midlakes. Will you please look into this matter and advise me whether there is anything we can do to expedite payment of the amounts delinquent.

(Signed) [illegible]

encl.

2728-8

NOTED BY

J. H. P. ✓

St. Paul, Minn., October 9, 1935,

File 6310-F

Mr. J. H. Poore:

The White River Packing Company, Inc. of Kent, Washington has three leases with the Northern Pacific, as follows:

Kent, Washington	- Lease	#44462	- Balance due	$380.00
Auburn "	"	49094	- "	" 599.94
Midlakes, "	"	52043	- "	" 175.00

All of the leases are badly in default and we seem to be unable to accomplish much in having the account brought to a current basis.

Will you please state how we should proceed in this matter?

WH:s

Auditor Disbursements

PRESIDENT'S
File 2728-8

NOTED BY
C. D. R.
S. W. S.
J. P. P.
E. M. W.
T. W. D.
J. R. F.

COPY

Seattle, June 28, 1935.

Mr. J. L. Watson
Right of Way Commissioner
St. Paul, Minnesota.

Replying to your letter of June 20th about insurance policy on the Auburn packing shed leased to F. H. Hogue, Jr.

On account of the disastrous market for lettuce and peas Mr. Hogue has closed the Auburn packing shed and moved the contents he owns from the building and his insurance broker advises us that he has returned the fire insurance policy, requesting immediate cancellation.

V. E. Williams
Western Right of Way Agent

J. P. Poore
I assume we will hear from our Jap friends in due course as to what will J. L. Watson
7/1/35.

NOTED BY
P
B. W. S.
J. H. P.
E. M. W.
W. D.
L. R. F.

2728-8

St. Paul, Minn., June 11, 1935. A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of June 10:

I approve the sale to Harry S. Kuramoto, for a price of $300, of the ice machine which we acquired from Frank S. Idaka in payment for rental outstanding under the lease of the lettuce shed at Kent.

(Signed) E. M. SCARLETT

P

June 10, 1935.

Mr. B. W. Scandrett:

Referring to my letter of May 31st:

Mr. Williams has an opportunity to sell to Harry S. Kuramoto the ice slinger in the packing house at Kent which we took over from Frank S. Idaka for delinquent rent, at the price of $300, which sale I recommend. Mr. Kuramota is the present lessee of the warehouse.

Do you approve?

J. L. Watson

JLW-M

PRESIDENT'S File 2728-8

NOTED BY
C. D.
B. W. S.
E. W. W.
W. D.
R. F.

May 31, 1935.

Mr. B. W. Scandrett:

Referring to your letter of May 27th:

I have secured a bill of sale from Frank S. Idaka for the ice equipment which he owned in the packing shed at Kent in accordance with the settlement you authorized.

J. L. Watson

JLW-M

NOTED BY
C.D. ✓
B.W.S. ✓
J.H.F. ✓
E.M.W. ✓
F.W.D. ✓
L.R.F. ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., May 27, 1935. A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of May 25 and returning Mr. Williams' letter to you of May 22 in regard to indebtedness of Frank S. Idaka account of rental, vegetable packing shed at Kent:

As there does not appear to be any likelihood that we will be able to collect the rental balance of $642.44, you may attempt to secure from Mr. Idaka a bill of sale for the ice machine which he left in the shed when he moved East.

encl.

(Signed) R. W. SCANDRETT
P

May 25, 1935.

Mr. B. W. Scandrett:

Lease No. 39244 to Frank S. Idaka at Kent, Wash., was made for term of one year from April 1, 1934 at a rental of $1,537.44 per year payable $250.00 upon delivery of the lease, $645.00 on or before July 10, 1934, and $642.44 on or before August 10, 1934.

The payment due August 10, 1934 was not collected for the reason that the packing season was over when the payment became due and Mr. Williams reports they can see no way to make collection. Mr. Williams also reports Mr. Idaka's reputation is not good and that he is now located in Chicago.

There is a piece of ice machinery in the building, original value $550.00, purchased last year, and is now supposed to have a value of $300.00 or $400.00. This machine appears to be Mr. Idaka's personal ownership. For reasons given in Mr. Williams' letter next attached, he recommends we try to secure a bill of sale from Idaka for this ice machine in satisfaction of our rent claim, and as it is important the matter be handled prior to May 31st, I will endeavor to see Idaka and secure the bill of sale, if you approve.

J. L. Watson

JLW-M

728-8

NOTED BY
C. D.
B. W. S.
J. H. P.
F. M. W.
F. W. D.
L. R. F.

St. Paul, Minn., May 17, 1935.

Mr. Donnelly:

The lettuce warehouse at Auburn was constructed in 1931 and was leased for a term of ten years to the Washington Vegetable Growers' Association at a rental of $1,522 per year. The Vegetable Growers' Association got into financial difficulties and went into bankruptcy on September 19, 1934. At that time they owed us rental amounting to $2,286.

The bankruptcy proceedings are now being closed and we will probably receive between $500 and $600 of the amount owing us at the time of the receivership, and will receive full rental for the period of the receivership, from September 19, 1934, to January 9, 1935.

For this year we have leased a part of the warehouse to F. H. Hogue at a rental of $750.

St. Paul, Minn., May 13, 1935.

Orig. on Pres. File #526 I-27

Mr. W. E. Coman,
Vice President.

I have your letter of May 9, in regard to payments due from the White River Packing Company in connection with leases of packing houses at Kent and Auburn and the contract covering loan of $3,000 made at the time the Midlakes house was constructed.

As the arrangement recommended by you appears to be the best obtainable, I am willing to approve, and you may take such steps as are necessary to have vested in the Northern Pacific Railway Company the building at Midlakes and lease it to the White River Packing Company for a period of one year at a rental of $25 per month.

(signed) Charles Donnelly

cc-Mr. J. L. Watson.

COPY

Seattle, Wash., May 9, 1935.

Orig. on Pres.File #526 I-27

Mr. Charles Donnelly,
President.

Referring to our correspondence, your letter September 25, 1934, regarding the lettuce shed at Midlakes, Washington, and your letter March 30 in regard to delinquent rental on the Auburn and Kent lettuce houses leased to the White River Packing Company:

Mr. Williams has made various efforts to close the matter with Mr. Saito, President of the Packing Company and he and Mr. Burnham both advise that Saito, due to his inability to collect advances made to growers during the past four years, as the result of unfavorable marketing conditions, has been unable to meet his obligations.

Mr. Burnham advises that during the five years ending 1934 Saito's shipments were as follows:

Year	Kent	Auburn	Midlakes	Total
1930	281	95	38	414
1931	177	101	57	335
1932	163	78	21	262
1933	222	86	81	389
1934	263	134	51	448
Total	1106	494	248	1848

The fact that he has been a heavy shipper is evidence that he has made comparatively large advances to growers, as it is customary for all vegetable shipping concerns to finance the growers to a more or less extent. In view of the situation, Mr. Williams has reached the best basis he can for settlement as outlined in the copy of his letter of April 18 attached.

I have since discussed it with Mr. Williams and Mr. Burnham, and under the circumstances, I join in their recommendation that we take over the Midlakes warehouse, built under contract No. 49169, April 24, 1931, and cancel the outstanding account representing the $3,000 which we loaned Saito for the construction of the warehouse, and the unpaid interest and two years rental, total $3,761 and lease it to him at a rental of $25 per month.

While Saito is unable to present to pay the delinquent rental on the Kent and Auburn houses amounting to $659.96, as explained by Mr. Williams, if this season is not unprofitable Mr. Williams feels sure that he will be able to collect this amount before September 1. He will operate the house at Midlakes again this year if this arrangement is made and will enter into a lease and commence paying rental at once.

I will be glad to have your authority to close the deal accordingly.

(signed) W. E. Coman

cc-Mr. J. L.Burhnam,
Mr. V. E. Williams.

COPY

COPY

2728-8

NOTED BY
C. D.
B. W. S.
J. H. P. ✓
L. M. W. ✓
J. W. D.
J. R. F. ✓

Seattle, May 7th, 1935

Mr. J. L. Watson
Right of Way Commissioner
St. Paul, Minnesota

Referring again to your letter of April 19th last about delinquent bills against the Washington Vegetable Growers, Assn., lease 48995:

A hearing was held in the Superior Court last Monday, May 6th, at which time the Receiver presented his report and all claim disputes were argued and settled.

You will remember we filed a claim for rental up to the date of the Receivership, September 19, 1934, amounting to $2,286.92 Of this amount the Court allowed the railway company a preferred claim for the last two months rental of $253.76 and the balance of the claim, $2033.16, was approved as common creditor.

Claim as a preferred creditor was allowed for bill against the Receiver, amount $468.23, for rental at the rate of $126.88 per month during the period of receivership from September 19, 1934, to January 9, 1935. There had accumulated a water charge up to August 1934, amount $43.40, which we paid from our contingent fund (see voucher R. D. No. 5339 dated May 6, 1935) to the City of Auburn April 11th, because it was necessary to do so in order to get the water turned on at the time Mr. Hogue took possession of the shed. The Court allowed this item as a preferred claim.

The Receiver has sufficient funds on hand to pay the preferred claims and we expect to receive the above items very soon. There was something like $11,000 of common claims allowed and it is expected there will be an amount between $1,000 and $2,000 to apply on same. The book accounts of the Vegetable Growers were sold for a lump sum of $500 so that the receivership is about to be definitely closed. The Court set hearing for May 11th to approve the Receiver's scheduled payment of claims and final report.

V. E. WILLIAMS
Western right of Way Agent

VEW L

NOTED BY
C. D. P
B. W. S. ✓
J. H. P. ✓
E. M. W. ✓
F. W. D. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., May 6, 1935. L6

Mr. H. E. Stevens,
Vice President.

Referring to your letter of May 4 and returning proposed contract with J. J. Parnell of Kent, Washington, covering construction of additional platforms and skylights at warehouse under lease to Jones-Grossman:

This letter may be considered authority for the Chief Engineer to execute the contract on behalf of the Railway Company and when filed with the Assistant Secretary will be his authority to accept the contract for filing.

(Signed) CHARLES DONNELLY

P

encl.

cc-Mr. A. M. Gottschald.

PRESIDENT'S File 2728-8

Saint Paul, May 4th, 1935

MR. CHARLES DONNELLY:

Enclosed find proposed contract with J. J. PARNELL of Kent, Washington, covering construction of additional platforms and skylights at warehouse under lease to JONES-GROSSMAN:

Bids on the work compared as follows:

J J Parnell	$830
W J Bouldron	880
N P Estimate	1155

The work was awarded the lowest bidder and I approve of the contract. If you concur will you please authorize the Chief Engineer to execute?

The expenditure of $1155 will be added to the valuation on which the lessee pays rental.

NOTED BY
C. D.
R. W. S.
J. H. F.
E. M. W.
F. W. D.
L. R. F.

PRESIDENT'S File 2728-8

St. Paul, Minn., April 19, 1935.AA4

Mr. J. L. Burnham,
Western Traffic Manager.

Mr. Clark has referred to me your letter of April 11, in regard to the balance of freight claims due from us to the Washington Vegetable Growers Association of Auburn which we have retained and applied against rent owing us by that organization.

I have talked with Mr. McManus about this matter and I can figure out nothing which would justify the Northern Pacific in turning this money over to Mr. Schroeder, or to anyone else. Some of the rent which is owing to us is of much longer standing than the freight claims which the Washington Vegetable Growers Association had against us, and I also understand that the rent bills in part antedate the connection of Mr. Don Frank with the Vegetable Growers Association. Mr. Schroeder, as I understand it, is acting as a claim broker in this matter and it is, of course, none of his concern as to whether or not we permit our rent bills against the Vegetable Growers Association to accumulate to the extent they did.

I realize that this decision may not be pleasing to Mr. Schroeder, but nevertheless it is my opinion it would be highly improper to pay over the balance owing by us on these claims so long as our rent bill is outstanding.

(Signed) J. H. FOGEL

cc-Mr. R. W. Clark:

Mr. Burnham's letter to you of April 11 is returned herewith. As I see it, there is absolutely no way in which we can meet Mr. Schroeder's wishes in this matter.

(Signed) J. H. FOGEL

PRESIDENT'S File 2728-8

COPY

Seattle, April 18, 1935.

Orig. on Pres. File #526 I-27

Mr. W. E. Coman:

Referring to the conversation I had with you and Mr. Burnham about the White River Packing Company (Mr. Saito) lease matters:

Under lease No. 44462 at Kent, Mr. Saito owes us to April 30, 1935, 13 months rental at the rate of $20 per month, total amount $260.

Under lease No. 49094 at Auburn, Mr. Saito owes us to April 30, 1935, 12 months rental at the rate of $33.33 per month, total amount $399.96.

He agrees to pay the delinquent bills at Kent and Auburn, total amount $659.96 but wants a little more time because at this season of the year he has extended his credit to make advances to his growers and it appears that he cannot borrow money to pay rental. He has agreed with me that as soon as his shipping season starts he will take care of these delinquent accounts when money begins to come in.

Under the Midlakes contract, No. 49169, dated April 24, 1931, we leased to Saito a track of land at a rental of $30 per year and loaned him $3,000 to construct a packing shed with dimensions 50 ft. x 125 ft. The packing shed was estimated to cost $3,500 but Saito represents that it actually cost approximately $3,800. He has paid nothing whatever on account of the loan and is delinquent two years on the land rental. Therefore, the following is charged against the lease-contract:

Two years rental ending April 30,1935.		$60.00
Principal on contract for construction of warehouse	$3,000.00	
Interest at 6% from June 8, 1931 to April 30, 1935	701.00	$3,701.00
	Total	$3,761.00

The best deal I have been able to make with Saito is to take over this warehouse and lease it to him for the period of one year at a rental of $25. per month, the railway company to pay taxes. On account of the fact that we can see no other way to dispose of the matter without bringing suit I recommend acceptance

of Saito's proposition.

At the time the Midlakes contract was entered into Saito apparently had considerable financial strength, although at that time he had considerable money outstanding in advances to growers, but there was no reason to contemplate that he would not be able to collect these outstanding accounts. The bad years following made this impossible. Saito reasons that while he was losing money heavily in financing growers, the railway company benefitted through his promotion of vegetable shipping. On account of his losses he finds himself unable to carry out the Midlakes contract and as a practical matter he thinks he cannot afford to operate the packing shed for the short shipping season and pay a rental higher than $300 per year. He also calls attention to the fact that assuming he pays up the delinquent rental on the Auburn and Kent sheds, which he thinks he will be able to do, that we have lost very little money on account of the White River Packing Company in furnishing it shipping facilities, in comparison with losses we have sustained from the other Japanese people with whom we have dealt. He does not attempt to compare himself with the white packers but he figures that his troubles are over and that he will be able to carry out future contracts.

Please advise if we are to proceed to close the matter up with Saito at Midlakes by accepting bill of sale for the warehouse, cancelling the present lease, No. 49169, and arranging for the new lease for a period of one year at a rental of $25. per month.

(signed) V. E. Williams

Western Right of Way Agent.

cc-Mr.J.L.Burnham
Mr.J.L.Watson

C O PY

2728-8

St.Paul, Minn., April 16, 1935.

Mr. J.H.Poore,
Executive Assistant.

Herewith letter from Burnham about some more difficulty with Herb Schroeder.

I wanted to find time today to talk with you about it but did not succeed. I wonder if you would decide the matter and let Burnham know what he should say.

encl.

COPY

Seattle, Washington
April 11, 1935

File A

Mr. R. W. Clark, G.T.M.:

We are again in trouble with Herb Schroeder, and of course he is using the Wash. Co-Op.egg business to try and force the issue.

The Washington Vegetable Growers Association of Auburn had claims against us for a considerable sum of money and in turn we had a bill against them for freight charges on cars for dumping in the east. After applying these freight charges against the claims there was left $457.00. We also have a claim against the Washington Vegetable Browers Association for approximately $2,000 in rent and on instructions from our Auditing Department we are keeping the $457.00 to apply against the rental due.

TheWashington Vegetable Growers Association is defunct and out of business. Just before going into the hands of a receiver they assigned their claims to the Manager, Don Frank, and he is the one who put them in the hands of Mr. Schroeder. Schroeder takes the position that we should not have let this rental accumulate as long as we did and should have collected it when due. Mr. McManus talked to Mr. Schroeder about these claims when he was here and he can give you full details in connection with them.

The question before us now is shall we waive our bill for rental and pay Schroeder the $457.00?

(Sgd) J. L. Burnham

NOTED BY
C.O.
B.W.S.
J.H.F.
E.M.W.
F.W.D.
L.R.F.

PRESIDENT'S File 2728-8

St. Paul, Minn., April 9, 1935.A4

Mr. W. F. Coman,
Vice President.

Referring to your letter of April 6, in regard to lease of the lettuce warehouse at Auburn to F. H. Hogue, Jr.:

Mr. Watson recently wrote me about this matter, and I approved a lease to Mr. Hogue for a period of one year with a rental of $750 for the uninsulated portion of the packing shed.

(Signed) P. W. SCANDRETT
P

P.O. P
B.W.S. ✓
J.H.R.
L.E.W.
E.W.D.
L.R.T.

PRESIDENT'S FILE 2728-8

St. Paul, Minn., April 8, 1935.A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of April 8, in regard to lease to F. H. Hogue, Jr., of a vegetable warehouse at Auburn owned by the Northern Pacific Railway Company:

Under the circumstances outlined in your letter and the file enclosed therewith, I approve the making of the lease to Mr. Hogue at a flat rental of $750 per year for the storage space in this warehouse which he will use; also the construction of the loading platform at an estimated cost of $425.

Your file is returned herewith.

(Signed) B. W. SCANDRETT

2728-8

NOTED BY
V.C.D.
S.W.S.
J.M.P.
E.M.W.
R.W.D.
L.R.F. ✓

April 8, 1935.

Mr. B.W.Scandrett:

It was proposed to lease to F. H. Hogue, Jr., vegetable warehouse at Auburn, originally constructed for the Western Washington Vegetable Growers Association, for term of one year at a rental of $750.00 plus $5.00 for each railroad car loaded from said premises in excess of 150 cars, and a lease was signed by you on that basis (see your letter of March 20th).

For reasons given in Mr. Williams' letter of April 5th, Mr. Hogue declines to sign this lease, and in lieu thereof, it is now proposed to give him a lease which does not include the precooling room (see sketch attached to Mr. Williams' letter) at a rental of $750.00 per year which Mr. Williams reports is about the standard rate of rental for the space Mr. Hogue will use.

This lease also involves the construction of a platform at the estimated cost of $425.00, which was heretofore approved.

The first page of the lease as heretofore executed by you has been rewritten to provide for the reduced area at a flat rental of $750.00 per year which rental is to be paid in full on July 1st and not in advance for the reason that the lessee has about $50,000 outstanding in advances to growers and is obliged to conserve his funds at present.

Will you please authorize the modified lease including the expenditure of $425.00 for the platform?

J. L. Watson

JLW-M

2728-8

Seattle, Wash., April 6, 1925.

NOTED BY
C. D.
B. W. S. ✓
J. H. P.
L. M. W.
F. W. D.
R. F. ✓

Mr. Charles Donnelly,
President.

Herewith please find copy of Mr. V. E. Williams' letter of April 5 to Mr. Watson regarding the proposed lease, No. 52027, to F. H. Hogue, Jr., covering warehouse at Auburn, about which I wrote you March 8:

Mr. Hogue is about the most substantial of any of our vegetable shippers. He has operated on our line for several years and has always paid his rent promptly, and our experience with him has been very satisfactory, as he has carried out all agreements.

In Mr. Burnham's absence, I have discussed this fully with Mr. Williams and Mr. Grubbs and, in view of the misunderstanding regarding the rental and Mr. Hogue's refusal to occupy and pay rent for the 104 feet of the packing shed which is insulated, we are satisfied that no other shipper would require the use of this portion of the shed and pay rent for it. Therefore, as the proposed rental of $750 represents not less than our standard rate of 8 percent on the value of the portion of the packing shed which Hogue would occupy, I recommend the arrangement as now revised, be authorized.

N E Gray

Encl.

PRESIDENT'S FILE 2728-8

Seattle, April 5,1935.

Mr. J. L. Watson,
Right of Way Commissioner,
St. Paul, Minnesota.

Referring to your letter dated March 21st, we are not able to complete lease No. 52027, in favor of F. H. Hogue, Jr. and it seems necessary to modify it.

I am returning the original lease, in duplicate, and we have rewritten the first page eliminating from the description the south 104 feet of the packing shed, which is the portion that is insulated and set aside for pre-cooling rooms and the rental clause is modified to make the rental a flat rate of $750 for the year, payable in full on or before July 1st.

We thought we had a complete understanding with Mr. Hogue.p Prior to the first of this year we attended a number of meetings with the creditors of the old Washington Vegetable Growers Assn. At two of these meetings Judge Macfarlane, Mr. Grubbs and myself attended. The Association own the refrigerating machinery and equipment which has a cost value of some $13,000, which was the only valuable asset the Association had and all the creditors were naturally anxious to realize something for it. It was expected that the sales value of this equipment would be very little unless it was purchased by some one wh would lease and operate the packing shed. When the sale finally took place there were seven bidders. The traffic department was particularly anxious to have Mr. Hogue operate this packing house and we assisted in making an arrangement whereby he was placed in a position to bid on the machinery and equipment, which as a matter of fact, was actually purchased by one of the Ice Companies under cover. Mr. Hogue working with this ice company thought he had a plan worked out whereby he could make use of this refrigerating romm and the equipment.

These plans have fallen down and as the matter now stands this refrigeration room and the equipment will not be used this season and the probabilities are that another year we will be called upon the remodel the shed and throw

this refrigerating room into ordinary packing house space.

Under these circumstances Mr. Hogue is unwilling to go ahead unless we eliminate from the lease the precooling room. He also now objects to paying the $750.00 rental in advance because at this season of the year he has outstanding in advances to growers about $50,000 and it is necessary for him to conserve his funds at present. He has no objection to paying the full amount on July 1st and we think this is entirely satisfactory because Hogue is reliable and always pays his rental bills when due.

I enclose for your convenience a sketch showing the packing house. I checked with our engineering department and the cost of the packing shed is divided at $9,275 for the packing house and $9,175 for the precooling rooms. The office addition cost $970 but the large assembly room at the south end of this office will not be used by Hogue since it was originally provided as an assembly room for the japanese association. On this division of cost the rental of $750 would be about a standard rate of rental for the space Hogue will use.

The packing season is rapidly approaching and Mr. Hogue is anxious to have us commence at once to construct the platform at an estimated cost of $425, authorized in your telegram dated March 26th (C-38). Mr. Hogue will therefore appreciate it if you will wire whether or not the lease as modified has approval and in that event I also suggest that you arrange authority for Mr. Sloan to proceed with the construction of the platform.

I have discussed this matter closely with Messrs. Coman and Burnham and they agree that the lease with the proposed modification is the best possible arrangement that can be made this season.

VLW-L Western Right of Way Agent.
enc.
cc Mr. W. L. Coman
Mr. J. L. Burnham.

St. Paul, Minn., March 30, 1935.

Orig.on Pres.File #526 I-27

Mr. W. E. Coman,
Vice President.

Referring to your letter of January 29, 1935, in regard to delinquent rental on the Auburn and Kent lettuce houses leased to the White River Packing Company:

Have any further collections on account of this rental been made, or what are the prospects of getting the amount substantially reduced in the near future?

(signed) Charles Donnelly

COPY

PRESIDENT'S FILE 2728-8

St. Paul, Minn., March 20, 1935.A4

Mr. J. L. Watson,
Right of Way Commissioner.

I have your letter of March 19, enclosing leases to Harry S. Kuramoto for the lettuce warehouse at Kent which we originally constructed for the Washington Pea Growers and Shippers Association, and to F. H. Hogue for the lettuce warehouse at Auburn, originally constructed for the Washington Vegetable Growers Association, and have executed and return herewith the leases referred to.

(Signed) B. W. SCANDRETT

encl.

St. Paul, Minn., March 20, 1935.

Mr.Donnelly:

Please note the attached letter from Mr. Watson, regarding leases to Harry S. Kuramoto and to F. H. Hogue.

In view of the explanation contained in Mr. Williams' letter of the second to Mr. Watson, I think the arrangement covered by the proposed leases is the best we can do for this year. If you agree that we are justified in leasing on this basis, I will execute the leases, which only run for one year.

BWS.

approved
CD

attchd.

Mch 21/35

NOTED BY
C. D.
J. W. S.
J. P. B.
E. M. W.
F. W. D.
L. R. F.

PRESIDENT'S
2728-8

March 19, 1935.

Mr. B. W. Scandrett:

The Railway Company leased to the Washington Pea Growers & Shippers Association vegetable warehouse at Kent, Wash., for term of ten years from June 1, 1932. The lessee constructed the building and the Railway Company reimbursed the lessee for the cost of same.

The Association got into financial difficulties and a new lease was made to Frank S. Idaka for term of one year from April 1, 1934.

It is now proposed to grant a new lease to Harry S. Kuramoto for term of one year from April 1, 1935. The new lease is attached herewith. It is proposed to charge a rental of $750.00 for this lease plus $5.00 for each railroad car loaded from said premises in excess of 150 cars. The rental heretofore charged for this packing warehouse was $1,537.44 per year.

I also attach lease No. 52027 in favor of F. H. Hogue, Jr., covering the Washington Vegetable Growers Association's warehouse at Auburn, which lease is also for term of one year at a rental of $750.00 plus $5.00 for each railroad car loaded from said premises in excess of 150 cars. The rental heretofore charged for this facility was $1,522.56 per year.

Both leases have been approved by the various departments, and Mr. Williams reports in his letter of March 2, 1935 that we are particularly fortunate in getting Mr. Hogue to operate the shed at Auburn. The minimum rental of $750.00 on each lease is to be paid in advance.

I recommend the execution of both leases. If you approve, will you please sign them for the Railway Company and return them to me for further handling? Mr. Williams' letter of March 2nd in the correspondence attached to the Hogue lease will give you details of both transactions.

J. L. Watson

JLW-M

2728-8

NOTED
C. D. ✓
B. W. S.
J. H. P.
E. M. W. ✓
J. W. D.
F. H. F. ✓

Seattle, Wash., March 8, 1935.

Mr. Charles Donnelly,
President.

Attached is copy of Mr. Williams' letter of March 2 to Mr. Watson, regarding two proposed leases of vegetable shipping sheds, one at Auburn to F. H. Hogue, Jr., and the other at Kent, to Harry S. Kuramoto:

Mr. Burnham and Mr. Williams advise that these leases would not in any way affect our relations with our other tenants and, as I have been in touch with the efforts of the Traffic and Right of Way departments to lease these two sheds, am convinced that the arrangement is the best we can make.

H Coman

Encl.

cc-Mr.J.L.Burnham
Mr.V.E.Williams

Hold for letter from J. L. Watson
JHP
3/11

COPY

2728-8

Seattle, March 2d, 1935.

Mr. J. L. Watson,
Right of Way Commissioner,
St. Paul, Minnesota.

I enclose for your approval and execution on the part of the Railway Company the following leases:

(1) Lease No. 52027, in favor of F. H. Hogue, Jr., covering the Western Washington Vegetable Growers Assn. shed at Auburn.

(2) Lease No. 52028, in favor of Harry S. Kuramoto, covering the Washington Pea Growers Assn. shed at Kent.

You will note that these two leases are on standard form excepting for the rental clause. The rental heretofore charged on the Auburn shed was $1,522.56 per year and on the Kent shed $1,537.44 per year. You will remember that both of these sheds were built upon plans and specifications exacted by Japanese Associations for whom the sheds were constructed and at the time our competitors stood ready to meet the requirements of these Associations.

Each Association at the time had a definite membership controlling acreage that indicated an annual shipment of produce of better than 300 cars per year. Insufficient financing and poor business management on the account of the Associations resulted in their inability to hold the business of the membership in their second years operation. It is also true in each case that the Associations were liberal in advances to their growers for fertilizer and growing expenses. Many of these Japanese farmers bootleg their produce to cash buyers rather than to make delivery to the Associations where deductions would be made in settlements on account of these advances and this bootlegging process was the actual cause of the failure of the Associations.

In addition, particularly at the Auburn shed, the Association, against our judgment, was adamant in their requirement for cold storage rooms, which added substantially to the cost of the sheds and the cold storage facilities have

proven to have little or no value in the vegetable packing industry in this territory. Such substantial packers as Hogue, Saito and Jones Grossman do not use a cold room at all in connection with their shipping.

Substantial packers who mean to pay their bills will not enter into a lease where they expect to pay a rental in excess of $5.00 per car. As a matter of fact, the rental rate should be something less than $5.00 per car. Both Mr. Hogue and Mr. Kuramoto cannot safely estimate the tonnage through the houses they are leasing for the 1935 season at more than 150 cars and if that tonnage is exceeded we will get additional rental. After close investigation of the matter Mr. Grubbs and I have agreed that there is no chance of leasing either of these houses for the 1935 season at the old rates of rental and we have therefore decided to recommend a rental on a car basis with a minimum of $750 per year, which would represent 150 cars. If these tenants are able to build up their business this year we may get a better rental another year but I think it is pretty clear that we will not in the future get much return from the investment we have made in the cold storage rooms.

We are particularly fortunate in getting Mr. Hogue to operate the shed at Auburn and it has taken considerable planning on the part of Mr. Grubbs to make this arrangement. Harry Kuramoto did not operate in the valley last year but he is determined to operate again this year and if we do not take care of him there is danger of him operating on the Milwaukee at Auburn or Sumner where he would draw considerable business from the Puget Sound Vegetable Growers Assn. with which Association he was so long connected and he has a substantial following among the Association's growers. It is therefore considered good strategy to locate him at Kent which is sufficiently distant from Sumner and it appears he will be able to control the business of many of the Japanese growers formerly belonging to the old Washington Pea Growers Assn. There is danger of these Japanese in a group arranging for shipping facilities on the Milwaukee if we do not take care of them and have them represented by a packer from among their own people.

The minimum rental of $750 on each lease is to be paid in advance and we have already collected from Harry Kuramoto $500 which has been placed in suspense pending approval of the lease and the remaining $250 will be collected before delivery of the lease. Mr. Hogue will also pay $750 in advance.

You will note the leases have been approved by western officials interested and if you will have them executed on the part of the railway company and return both copies we will have them executed on the part of the lessees, after which we will make further report to you.

(Signed) V. E. Williams

Western Right of Way Agent.

VEW-L

cc Mr. W. E. Coman
Mr. J. L. Burnham.

NOTED BY
T.D. ✓
S.W.S.
J.P.P. ✓
E.M.W. ✓
W.D.
W.R.F. ✓

PRESIDENT'S
No. 2728-8

COPY

March 1, 1935.

Mr. F. W. Stetekluh:

According to your letter of January 15th last, there is an outstanding balance of $1,656.08 against the Washington Pea Growers & Shippers Association account lease No. 39184 covering vegetable warehouse at Kent, Wash.

By authority of our Executive Office I wrote Mr. Williams that if the Law Department will furnish a definite statement that in its opinion the amount is not collectable, we would cancel the indebtedness of $1,656.08 against the lessee. Mr. Williams reports he has discussed this matter with Judge Macfarlane, but they have nothing sufficiently definite on this account for the Law Department to make a ruling as to whether or not any part of the bill can be collected, and that in view of the situation they do not think it advisable for the Northern Pacific to start action and since the account will not be outlawed for at least another year, Judge Macfarlane makes the suggestion that we do not cancel our rental bill for the present but await developments.

The procedure as recommended by Judge Macfarlane should be followed.

J. L. WATSON

JLW-M
cc: J. H. Poore
V. E. Williams

Seattle, Wash., January 29, 1935.

Orig.on Pres.File #526 I-27

Mr. Charles Donnelly
President, St. Paul.

White River Packing Company - leases:

Referring to our correspondence last Fall in regard to the delinquent rental on the Auburn and Kent houses of the White River Packing Company and also in regard to the amounts delinquent on the Midlakes lettuce house.

For your information I am sending you herewith copy of Mr. Williams' letter of January 26th addressed to this company in regard to remittance of $186.66 to apply on rental of the Auburn and Kent leases.

Mr. Saito is at the present time in Japan and is not expected to return until sometime in February. As soon as he reaches here Mr. Williams will endeavor to determine what is to be done on the Midlakes deal.

(signed) W. E. Coman

COPY

Seattle, January 26, 1935.

Origon Pres.File #526 I-27

Mr. K. Hanada,
White River Packing Co.,
Kent, Washington.

Dear Mr. Hanada:

I am very glad to receive remittance for $186.66 to apply on rental on your Auburn and Kent leases.

I note your statement that this will clean up the balance of rental due on the leases for the year 1934. This does not agree with my record - according to the last statement I received from our Accounting Department under date of November 1, 1934, the rental on lease No. 44462 at Kent was delinquent from April, 1933, leaving the total amount due as of December 31,1934 - 15 months - $300.00, and the remittance you have made of $120.00 will cover the six months period ending September 30, 1933.

On lease No. 49094 at the rate of $33.33 per month, the rental on this statement was shown delinquent since June, 1933, leaving the total amount due as of December 31, 1934 - 10 months - $333.30. The remittance of $66.66 covers the two months of June and July, 1933.

In forwarding your remittance to our Accounting Department I have asked them to check your account and give me a new statement which I will then furnish you for your records.

We would like very much to get the rental on these two leases paid up to date so that they will be on a current basis commencing with the next lettuce packing season and I hope you will be able to make further remittances. As soon as Mr. Saito returns, we would also like to have a conference with him to determine definitely what is to be done on the Midlakes deal.

Yours very truly,

(signed) V. E. Williams

Western Right of Way Agent.

COPY

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
E. M. W. ✓
E. W. D. ✓
L. R. F. ✓

2728-8

St. Paul, Minn., December 20, 1934.
A4-K2

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of December 18, in regard to the Washington Pea Growers Association indebtedness in connection with lease for site at Kent which that organization formerly held:

I approve the cancellation of the indebtedness of this company to the Northern Pacific, amounting to $1,656.08 if the Law Department will furnish a definite statement that in its opinion the amount is not collectible. In Mr. Williams' letter to you of November 19, he makes the statement that he does not believe the Law Department would accomplish anything in the way of collection. Perhaps he is right in his assumption but there should be in his files or yours a definite statement from the Law Department that they do not feel we can collect the amount outstanding. On the other hand, if there is any possibility of our being able to collect anything at a later date, this indebtedness should not be cancelled.

(Signed) B. W. SCANDRETT

NOTED BY
J. D. _____
J. W. S. _____
W. P. _____
L. M. W. _____
W. D. _____
K. F. ✓

PRESIDENT'S FILE 2728-8

December 18, 1934.

Mr. B. W. Scandrett:

When lease No. 39184 to the Washington Pea Growers Association for warehouse site at Kent was cancelled March 31, 1934 and superseded by lease No. 39244 in favor of Frank S. Idaka, the Pea Growers Association owed us a balance of $1,656.08. Mr. Williams advises there is no chance of collecting this amount and he does not think the Law Department could accomplish anything in the way of collection because a judgment against the lessee will not be of any value and to bring suit would only pile up expense. It would therefore seem to me the advisable thing to do would be to cancel this outstanding balance as there is no probability of collecting the same.

There is a delinquent balance of $642.44 against Frank S. Idaka and Mr. Coman and Mr. Burnham are willing that suit be brought. Idaka is now out of town, but will return to Seattle in January and when he returns it is the intention to bring suit against him.

Do you approve cancellation of the delinquent balance against the Washington Pea Growers Association?

J. L. Watson

JLW-M

Seattle, Wash., November 21, 1934.

Orig. on Pres. File #526 I-27

Mr. Charles Donnelly,
President, St. Paul.

Your letter of November 15th.

Mr. Williams has not been able to secure from Mr. Saito any part of the delinquent rental on the Auburn and Kent houses. He has talked to him on the telephone several times since writing his letter of October 20th, copy of which I sent you with mine of October 25th, and although Mr. Saito promises to make a substantial payment on specific dates, he does not live up to his promises. Before anything further is done Mr. Williams will arrange to go to Kent with one of our traffic representatives and have a talk with Mr. Saito about the matter.

I will keep you advised.

(signed) W. E. Coman

COPY

St. Paul, Minn., November 15, 1934.

Orig. on Pres. File #526 I-27

Mr. W. E. Coman,
Vice President.

Referring to your letter of November 25, in regard to the amounts delinquent on the Midlakes lettuce house:

Was Mr. Williams able to secure from Mr. Saito any part of the delinquent rental on the Auburn and Kent houses?

(signed) Charles Donnelly

COPY

NOTED BY
P.
B. W. S. ✓
J. H. P.
E. M. W. ✓
F. W. D.
L. R. F. ✓

PRESIDENT'S
File 2728-8
11/N
11/20

St. Paul, Minn., October 31, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

I have noted and return herewith Mr. Williams' letter to you of October 27, with respect to delinquent rental account of Luther Harrell, covering lease of potato warehouse at Thorp, and note that it may be necessary to bring suit to collect the $121.15 which is still owing to us on account of rent for the year ended October 1, 1934. Mr. Williams suggests that in the event we do have to bring suit, we should sue for the $2,000 agreed upon settlement for the period up to October 1, 1933. I understood we had an assignment of Mr. Harrell's interest in some potatoes handled by the United Brokers Co., of Portland, Oregon, which was good for the $2,000, and unless this assignment turned out to be worthless it should not be necessary for us to bring suit to collect the full amount.

Copy on 8675

encl.

(Signed) J. H. POORE

COPY

2728-8

Seattle, October 27, 1934.

Copy of 5263 50

Mr. J. L. Watson,
Right of Way Commissioner,
St. Paul, Minnesota.

Replying to your letter of October 17th about the Luther Harrell lease at Thorp, the agreement made with Mr. Harrell about rental for the year commencing October 1st, 1934, was contained in the fourth paragraph of my letter to him dated December 26, 1933, which reads as follows:

"I am now authorized to accept from you $1,134.00, or such greater amount as you may receive from storage of potatoes in the warehouse to satisfy the rental in full for the year October 1, 1934. It is my understanding that you have had stored in our house 1134 tons of potatoes for which you will receive $1.00 a ton and there has already been remitted to us on this account $350.00 and when the remainder of the storage is paid, providing the amount is $1,134, we will accept the same in full satisfaction of the years rental ending October 1st, 1934."

We actually collected as you state $1012.85. As a matter of fact we had to collect that amount direct from the parties who had potatoes stored, which duty our Agent performed because Luther Harrell became wholly unreliable and did not look after the warehouse. I have talked to Harrell about the difference, $121.15, and he claims he will never pay it because our Agent did not watch the situation close enough and let some potatoes get out of the house by automobile truck without making collection so that we perhaps will have difficulty in making collection of this item but I do not think we should cancel it just yet.

The Pacific Fruit & Produce Company expect to handle Harrell's crop and as soon as he gets sufficient storage in the house they promise to notify me and I think we should then bring suit against Harrell for the balance due us and in that event we should sue for $2,000 to cover the settlement agreed upon for the rental up to October 1st, 1933, and also $121.15 for the remainder of the rental for the year commencing October 1, 1933.

(Sgd) V. E. Williams

VEW-L

Western Right of Way Agent.

Seattle, Wash., October 25, 1934.

Orig. on Pres.File #526 I-27

Mr. Charles Donnelly,
President, St. Paul.

Referring to our recent correspondence regarding the Midlakes deal with Mr. Saito - my last letter of the 16th instant.

We have as yet been unable to make any collection and for your information I am sending you herewith copy of letter which Mr. Williams wrote Mr. Saito on the 20th instant notifying him that the payments must be made on or before November 1st.

(signed) W. E. Coman.

COPY

Seattle, October 20, 1934.

Orig. on Pres.File #526 I-27

Mr. E. K. Saito,
White River Packing Company,
Kent, Washington.

Dear Mr. Saito:

I have talked with you a number of times about your delinquent rental account at Auburn, Kent and Midlakes and it was my understanding that you would pay up the Auburn and Kent rental last Monday, October 15th. The remittance was not received and on making inquiry at your office I learned that you were away for a short time.

I have been pressed by our management to collect these rental accounts and I have explained to you a number of times the position we are placed in whereby it is highly important to make these collections. I have therefore been directed to advise you that the payments must be made on or before November 1st.

I should regret very much any controversy over these accounts in view of the close relation we have had with you in connection with the development of this vegetable shipping industry and I therefore hope that you are in position to take care of the payments within the time above specified. I am inclined to think that the management will again agree to take care of the Midlakes contract somewhat on the basis authorized last January. However it must be kept in mind that you have not made any payment on account of this contract and so far the railway company has had no compensation for the money advanced for the construction of the shed or for the use of the land which we purchased for your private use. You will therefore recognize that this condition cannot be allowed to continue and the matter will have to be straightened up in due course and the management has reached the conclusion that there is no purpose in delaying the matter longer.

Yours truly,

Western Right of Way Agent

COPY

PRESIDENTS
File 2728-8

10/24

October 19, 1934

Dear Mr. Donnelly:

I have your letter of October 17, in regard to the proposed purchase of approximately four and one-half acres of land at Kent, at an estimated cost of $7,750., and, as requested, have arranged for the submission of the item at the meeting of the Board or Executive Committee to be held on Wednesday next, October 24.

Yours very truly,

Mr. Charles Donnelly, President,
Northern Pacific Railway Co.,
St. Paul, Minn.

Approved at meeting
Board of Directors
Date 10/24/34

NOTED BY
C. D. ✓
E. W. S. ✓
G. H. F.
L. M. W.
F. W. D.
L. R. F. ✓

2728-8

10/24

St. Paul, Minn., October 17, 1934. A4

Mr. E. A. Gay,
Secretary.

The property we own in the Puyallup Valley available for warehouse sites is fast becoming occupied by buildings, and at one or two points we have no property left on which industries may be located. It is necessary that we have property on which additional lettuce and vegetable warehouses may be located, because these industries furnish for the line on which warehouses are located a very attractive freight revenue. At Kent we have no available property for additional warehouses and I have, therefore, authorized the purchase of additional property having an area of approximately four and one-half acres, estimated to cost $7,750. Will you please docket this matter for consideration of the Board at the meeting to be held on the 24th instant.

(Signed) CHARLES DONNELLY

NOTED BY
C. D. _____
B. W. S. _____
J. H. P. _____
E. M. W. _____
F. W. D. _____
L. R. F. _____

2728-8

St. Paul, Minn., October 17, 1934. A4

Mr. W. E. Coman,
Vice President.

Referring to your letter of October 9, in regard to purchase of additional warehouse property at Kent:

I approve the purchase of tracts 1 to 4, referred to in Mr. Williams' letter to you of September 27, and return the voucher for $2,800 in favor of the Washington Title Insurance Company which you enclosed with your letter. I also approve the acquisition of tracts Nos. 5 to 9 at an estimated cost of $4,950.

(Signed) CHARLES DONNELLY

cc-Mr. J. L. Watson.

N. P. 1386/12-24

TELEGRAM—BE BRIEF

TIME FILED

M.

ENTERED BY

C. D. _____
B. W. S. _____
J. H. F. _____
E. M. W. _____
F. W. D. _____
L. R. F. _____

St Paul Minn October 17 1934

W E Coman
Seattle

Voucher purchase warehouse property at Kent being forwarded to you today. P-9

Charles Donnelly

N. P. 1386 12-24

TELEGRAM—BE BRIEF

TIME FILED

NOTED BY M.

C. D. ____
B. W. S. ____
J. H. P. ____
E. M. W. ____
F. W. D. ✓
L. R. F. ____

Seattle Oct 17 1934

Charles Donnelly
St Paul

My letter 9 recommending purchase warehouse property at Kent. Our option to purchase at price $2,800 expires October 21st and we may be unable to secure extension.

W E COMAN

12:28 PM

COPY

N. P. 1386 / 12-24

TELEGRAM—BE BRIEF

TIME FILED

M.

51 CF GI

SEATTLE OCT 17 1934 CHARLES DONNELLY

STPAUL

Re letter 9 - V warehouse property 1 Cent

ABETMENT RECOMMENDING PURCHASE WASHABLE TEDIUM AT ARTVAT CAPRAM OUR OPTION TO

$2800

PURCHASE AT PRICE QUAY ABOX ETCH TABS EXPIRES OCTOBER 21ST AND WE MAY BE

UNABLE TO SECURE EXTENSION.

W E COMAN.

1228PM

St.Paul, Minn., October 16, 1934.

NOTED BY
E.W.S.
J.H.P.
E.M.W.
E.W.D.
R.F. ✓

Mr. Charles Donnelly,
President.

Herewith papers about purchase of additional property for warehouse sites at Kent, Washington.

I concur in the recommendation made that tracts one to nine, inclusive, be purchased.

encl.

Mr Donnelly
If you approve these purchases I will write up for Board action.
10/17

JHP

Approve CD
Oct 17 1934

Saint Paul, Minn.,

October 16, 1934.

MR. R. W. CLARK:

Herewith file about purchase of additional property for lettuce and other warehouse sites at Kent.

I concur in the recommendation that we purchase tracts one to nine, inclusive.

Copy Mr. W. C. Sloan

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
E. W. ✓
W. D. ✓
L. R. F. ✓

PRESIDENT'S
File 2728-8

10/15

St. Paul, Minn., October 12, 1934. A4

Mr. H. E. Stevens,
Vice President.

I attach file of papers ending with Mr. Coman's letter to me of October 9, in regard to purchase of additional property for sites for lettuce and other vegetable warehouses in the district between Seattle and Tacoma.

If the purchase of this property at the estimated cost of $7,750 meets with your approval, please so indicate and pass the papers to Mr. Clark, he, in turn, to forward them to me with his approval or disapproval. The matter should be handled promptly, as our option on part of the property will expire on October 21.

(Signed) CHARLES DONNELLY

encl.
cc-Mr. R. W. Clark.

2728-8

Seattle, October 9, 1934.

Mr. Charles Donnelly,
President.

Please refer to my letter of June 16, 1934, reporting the situation about warehouse sites for the handling of lettuce and other vegetables in the district between Seattle and Tacoma.

After further investigation, we have all agreed that additional ground should be acquired at this time at Kent and I am attaching copy of Mr. Williams' letter of September 27 together with voucher and blueprint referred to for the purchase of a packing house site on tracts 1 to 4 inclusive, shown in red on the blueprint, at price of $2,800.00.

Mr. Sloan, Mr. Burnham, Mr. Williams and I went on the ground the other day and are agreed that we should also purchase tracts 5 to 9 inclusive, which would give an entrance from the main highway making all of the property referred to easily accessible and place us in position to take care of future requirements. I have therefore asked Mr. Williams to secure options on tracts 5 to 9 providing a satisfactory price can be secured, and will advise you promptly the result of his efforts.

In the meantime, will be glad to have your approval of the voucher in payment for tracts 1 to 4, which we have under option expiring October 21.

encl.
cc Mr. W. C. Sloan,
Mr. J. L. Burnham,
Mr. A. F. Stotler,
Mr. V. E. Williams.

Seattle, September 27, 1934.

Mr. W. E. Coman,
Vice President.

I enclose voucher R.D. 4281, amount $2800.00, in favor of the Washington Title Insurance Company, to cover purchase of additional station grounds at Kent.

I enclose blueprint plat upon which the land described in the voucher is outlined in red and the different tracts numbered 1 to 4. The total dimensions of the four tracts is a length of 491 feet fronting on our right of way and a depth of 166 feet, making the area 1.87 acres and the price approximately $1,500 per acre.

I think we have all agreed that this is the best packing house site at Kent not already occupied and on account of its location with respect to the other packing houses there it may be connected up with our railroad track service conveniently and economically. The price is reasonable, in fact low, on each of the tracts, excepting the one numbered 2 owned by Carl Leiendecker, who is a realtor and a skillful trader and we have held off taking options over two months trying to get Leiendecker's price down but he had more or less control or influence over the other three owners and we decided it best to pay his price because the total price for the four tracks is attractive.

We hold options on these four tracts, the first of which expires on October 21 so that we will have to reach a conclusion about whether or not we are to make the purchase on these options before that date. I think it advisable to make the purchase now because we should have at least one packing house site available and the station grounds we own at Kent now are practically all in use.

We have had negotiations with the owners of tracts 5 to 9, shown outlined in green on the attached map, and have arrived at the following estimate of probable purchase price:

Tract No.	5	$1,850
	6	750
	7	700
	8	900
	9	750
	Total	$4,950

We would like instructions as to whether or not we should endeavor to secure options and submit the purchase of these tracts numbered 5 to 9, providing options can be secured at approximately the amount of these estimates. The price is increased about $1,000 on account of the proposal to buy

all of tract 5, extending to Central street, which is the valley highway. This tract is unimproved and by purchasing to the highway it would give an opportunity to provide better street access. My idea would be if we should acquire the property to attempt to sell off a part of it to adjoining owners and keep about a 50 foot width for a roadway from Central Street back to Railroad Avenue when that Avenue is extended northerly.

The purchase of tracts 1 to 4 will give us protection for the present but when this site is occupied we will be in about the same fix we are now. The question is whether or not we should provide two additional sites. This land is not now occupied by any buildings of importance and the owners are not aware of the fact that the railway company is contemplating making a purchase so that we are likely to be able to make the purchase at this time cheaper than we are in the future. There is, of course, always present the possibility that the land may be improved in such a way that when we actually need it we will not be able to acquire it at any price we can afford to pay.

If the traffic department is convinced that there is likely to be a continuing increase in shipping from the Kent station, I would consider it good judgment to also purchase tracts 5 to 9 at this time, providing we are successful in making the purchase within the above estimates.

V. E. Williams.
Western Right of Way Agent.

cc Mr. J. L. Burnham,
Mr. W. C. Sloan,
Mr. J. L. Watson,
Mr. A. F. Stotler.

(copy)

KENT

King Co. Wash.

SEC. 24, T22 N., R4E., WILL. MER.

Office Div. Engr. Tacoma Wash. March 28th 1908.

Scale 1" = 100'

Right of Way checked by Land Comr's Office 4-22-08.

Corrected Sept. 24 1912

Revised 2-24-14

" as to foreign tracks 8-24-18

Revised July 31, 1923 from notes of Asst. Engr. dated 3-20-23

" Aug 11 1928 " " " " " 7-1-28

Winner Ave.

Sec. 24, T22N, R4E, W.M.

NORTH PARK ADD.

Cloudy Ave.

Cole Ave.

Second St. North

NORTH PARK 2d. ADD.

First St. North

Gravel Road

Pole Line N.P. & W.U. 46 Wires.

Old Main Line

2nd Track

Telegraph Line

Postal Telegraph 13 Wires

Central

Washington Fruit Growers & Shippers Association Covered Platform

Open Shed

Cinder Driveway

Lettuce Wase

Rice Fuel Shed

Barn

Garage

Shed

Coal Shed

Shell Oil Co. Property

CROSS ADD.

Main

James Street

1 R. Rozzi and wife

2 Carl Leonardocker & wife

3 H. S. Stubbs & wife

4 Charles T. Spencer

5 Adelline E. Reynolds

6 A. N. Berlin

7 Nick Sluragi & Wife

8 Henry Rasch

9 Wm. R. Stephenson & 7 Heirs of Thos. F. Phipps

491 ft

125 ft

78 ft

182 ft

106 ft

112 ft

97.2 ft

97.23 ft

516.53 ft ±

406 ft ±

1045.89'

1.87 ac

$1437.26 per ac.

Voucher RD No 5281

2728-8

10/20

COPY

Seattle, September 27, 1934

NOTED BY
P.
B.W.S.
J.P.P.
E.M.W.
W.D.
R.F.

Mr. L. B. daPonte,
Western Counsel,
Seattle, Washington.

Referring to your notice of September 25th that receiver was appointed September 19th for the Washington Vegetable Growers Association of Auburn, Washington:

This association has been operating one of the lettuce packing houses at Auburn under our lease No. 48995. From my correspondence file it appears the rental is delinquent in amount $2291.14 including the first 19 days of September. I presume the Accounting Department will report to you their record of the amount due.

V. E. Williams

Western Right of Way Agent

cc: Mr. Watson
Mr. Stetekluh.

Mr. Scandrett:

To note.

J. L. Watson

10-1-34

2728-8

COPY

Seattle, September 22, 1934.

Mr. J. L. Watson
Right of Way Commissioner
St. Paul, Minnesota.

Replying to your letter dated September 18th about lease No. 48995, in favor of the Washington Vegetable Growers Assn., a receiver was appointed in accordance with the program only a few days ago and the problems mentioned in your letter have not yet been worked out.

It is our understanding that the assignment from the Western Washington Vegetable Growers Assn. to the Washington Vegetable Growers Assn. is valid and will not affect our claim. We have checked up the official records. However this matter is now entirely in the hands of our Law Department and I will be able to let you know definitely within a short time.

It is my understanding that the rental will have to be paid in full from the date of receivership so long as the Association keeps control of the shed. It is the intention to immediately dispose of the refrigeration equipment and other equipment in the shed, together with some storage and then the shed will be turned back to us by the Association. There will be funds available from this liquidation to pay rental and other receivership bills.

V. E. Williams
Western Right of Way Agent.

Mr. Scandrett:

For your information.

J.L.W.

September 28, 1934.

NOTED BY
C. D. P
B. W. S. ✓
J. H. P. ✓
E. M. W. ✓
F. W. D. ✓
L. R. F.

PRESIDENTS
FILE 2728-8

10/5

St. Paul, Minn., September 18, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

I have noted and return herewith copy of Mr. Williams' letter of September 13 to Mr. Grubbs with respect to the affairs of the Washington Vegetable Growers' Association at Auburn.

(Signed) B. W. SCANDRETT
P

encl.

PRESIDENTS
WU 2728-8

NOTED BY
C.D.
B.W.S.
J.H.P.
C.M.W.
W.D.
R.F. ✓

September 17, 1934.

Mr. B. W. Scandrett:

I attach for noting copy of Mr. Williams' letter of September 13th to Mr. Grubbs about the indebtedness to the Railway Company of the Washington Vegetable Growers Association at Auburn.

I will follow the matter up and keep you posted as to the final outcome.

Please return the attached letter.

J L Watson

JLW-M

ACTED BY
C. P. P
B. W. S. ✓
J. H. P. ✓
E. M. W. ✓
F. W. D. ✓
L. R. F. ✓

PRESIDENT
File 2728-8

St. Paul, Minn., September 12, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of September 11, and returning your file in regard to change in the date on which the rental for lettuce warehouse at Kent, leased to F. H. Hogue, is to be paid:

As Mr. Hogue has always paid his rent with reasonable promptness and he is in good financial condition, I see no objection to arranging for payment of one year's rental on October 1 of each year, to cover the year beginning May 1. I do not think the lease should be modified, as in case of a default in payment we might want to go back to the monthly basis provided in the lease.

(Signed) B. W. SCANDRETT
P

encl.

September 11, 1934

Mr. B. W. Scandrett:

The annual rental on lease No. 52296 to F. H. Hogue of Seattle, Washington, for lettuce earehouse at Kent is $1036.79, payable in monthly installments in advance.

Mr. Hogue has paid the rent to April 30, 1935. He desires to make each year's rental payment at one time on October 1st of each year; that is, his next payment of rental to be made on October 1st, 1935 would cover the rent for the year beginning May 1st, 1935. This for the reason that he does not wish to be bothered making monthly payments in advance because during a portion of the calendar year his office is closed and he does not wish to be regarded as at any time being delinquent in his rent. By paying October 1st of each year he will be paying six months in advance and six months back rental, but he feels he should not be asked to pay the entire year in advance.

Mr. Williams reports that Mr. Hogue is unusually reliable, has paid his rent bills with reasonable promptness and recommends we comply with his request. I concur in Mr. Williams' recommendation. Do you approve?

J L Watson

JLW-p

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
E. M. W. ✓
F. W. D. ✓
L. R. F. ✓

PRESIDENT'S FILE 2728-8

St.Paul, Minn., September 11, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of September 10, in regard to the indebtedness to us of the Washington Vegetable Growers Association of Auburn:

I have noted and return herewith copy of Mr. Williams' letter of September 6 to Mr. Grubbs in regard to this matter. I also return the enclosures with your letter of August 20, which should have been returned to you after they had been noted by me.

(Signed) B. W. SCANDRETT
P

encl.

2728-8

September 10, 1934.

Mr. B. W. Scandrett:

Referring to my letter of August 20th:

Please note Mr. Williams' letter of September 6th to Mr. Grubbs, copy attached, about lease No. 48995 to the Washington Vegetable Growers Association, Inc., at Auburn.

J L Watson

JLW-M

NOTED BY
J. D.
B. W. S.
J. H. P.
E. M. W.
J. W. O.
R. F.

PRESIDENT'S
File 2728-8

August 20, 1934.

Mr. B. W. Scandrett:

I attach for noting letter from Mr. Williams about lease No. 48995 to the Washington Vegetable Growers Association at Auburn, to which I have attached a statement showing unpaid rent amounting to $2,083.90.

When I receive further advice from Mr. Williams on this matter it will be referred to you.

Please return attached papers to me.

J. L. Watson

JLW-M

NOTED BY
J. D. f
E. W. S.
J. H. P.
E. M. W. ✓
E. W. D.
L. R. F.

PRESIDENT'S
File 2728-8

St. Paul, Minn., July 12, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of July 11, with regard to additions to the warehouses at Kent and Auburn leased to the White River Packing Company:

I have approved and passed to the Accounting Department the voucher for $120.98 referred to in your letter, and return herewith Mr. Williams' letter to you of the 3rd instant.

(Signed) J. H. POOLE

encl.

PRESIDENT'S FILE 2728-8

NOTED BY
D.
W. S.
H. P.
M. W.
W. D.
R. F.

July 11, 1934.

Mr. J. H. Poore:

Authority was given in Mr. Donnelly's letter of April 18th last to Mr. Coman to expend $675.00 on additions to the warehouses leased to the White River Packing Company at Kent and Auburn.

The cost of the work has overrun the estimate by $38.65. Voucher in favor of A. Herider for $120.98 is attached. If the voucher is allowed, the total expenditure will be $713.65 instead of $675.00.

For reasons given in Mr. Williams' letter of July 3rd, I recommend the voucher be authorized. The entire expenditure will be added to the valuation on which the rent is based and the rental increased by 8% of said amount.

On last year's rent account the lessee owes us as follows:

Kent lease from April 1st to December 31, 1933
9 months at $20.00 per month ----------$180.00

Auburn lease from May 1st to December 31, 1933
8 months at $33.33 per month ----------266.64

Total -----$446.64

Mr. Williams recently collected from the lessee $319.98 on the Kent and Auburn leases for rent for the six month period ending June 30, 1934 and he is after the lessee to pay the back rent.

J. L. Watson

JLW-M

PRESIDENT'S
File 2728-8

NOTED BY
C. D.
R. W. S.
L. H. P.
E. M. W.
F. W. D.
L. R. F.

July 6, 1934. D1

Dear Mr. Grubbs:

My attention has been drawn to the editorial appearing in the Kent Valley News, of Kent, Washington, for Friday, June 22, about the lettuce industry. I had already known how much you had done to produce the fine showing which the Northern Pacific has made in the movement of the products of that district; and it must have been gratifying to you, as I assure you it is to me and to all Northern Pacific men, to get this public recognition of your good work.

Assuring you of my appreciation, and with hearty congratulations and best wishes,

Sincerely yours,

(Signed) Charles Donnelly

Mr. C. M. Grubbs,
Assistant General Freight Agent,
Northern Pacific Railway Company,
Seattle, Washington.

cc-Mr. R. W. Clark:

On Pennsylvania Train No. 51,
En Route Washington, D.C. to
St.Paul, Minn.,

July 4, 1934.

Mr. Charles Donnelly,
President.

I am sure you will be glad to read the attached editorial from the Kent Valley News about the relationship of our West end traffic and operating men to the lettuce and vegetable industry in the Puyallup Valley, particularly the reference to Mr. Grubbs' work.

encl.

KENT VALLEY NEWS, KENT, KING COUNTY, WASHINGTON, FRIDAY, JUNE 22, 1934

A Vision Precedes Every Achievement

(EDITORIAL)

The lettuce industry which Kent so heartily acclaimed June 9 owes much to a few quiet workers who were not featured in the day's program. At least four of them mingled with the crowds at the Festival and enjoyed every hour of it, for their assistance had made much of the program possible.

These visitors included C. M. Grubbs, assistant general freight agent, and Mrs. Grubbs; J. L. Burnham, general traffic manager, and Mrs. Burnham; L. F. Newton, district superintendent, and Mrs. Newton; Mrs. T. F. Lowry, wife of the assistant general manager; and Ed Frieberg, trainmaster, all of the Northern Pacific.

All these officials have been valiant champions of the lettuce industry and it was through their cooperation that the special lettuce train and other features of the celebration were made possible.

Mr. Grubbs has rendered outstanding services in the development of the lettuce industry here. The exceptional shipping facilities of Kent are largely attributed to him. In the beginning he had vision and aided in providing these adequate facilities. As the industry grew he kept abreast of it and the fine packing sheds and modern equipment here have been made possible through his aid. The fact that the Northern Pacific handles more of the produce shipped out of this valley than all other roads combined is in large measure attributable, in the opinion of Kent shippers, to his foresight and willingness to be of service.

It would be very appropriate to honor Mr. Grubbs along with other factors in developing the lettuce industry of the White River Valley but he would not have it so. He will not be listed among the crowned heads, but at least he is entitled to rank as a Prime Minister who makes crowns and crownings possible.

R.W.C.

Fine compliment to Grubbs and our other men.

EEN 6/24

2728-8

At Washington, D.C., July 1, 1934.

Mr. Charles Donnelly,
President.

Mr. Coman wrote you June 16 about getting options on some additional property in the Puyallup Valley to protect us for future industrial locations.

I attach copy of Mr. Burnham's letter to me of June 22, on the same subject.

encl.

Copy on 999.118

2728-8

Seattle, Washington,
June 22, 1934.

File A.

Mr. R.W.Clark, G.T.M.:

Last week Mr. Grubbs, Mr. Williams and I had a conference with P.H.Burnham, Asst. Traffic Manager Pewter, Right of Way Agent Finley and T.F.A. Starr of the Great Northern, when the question of the lettuce houses in the Puyallup Valley was discussed. The G.N. claimed we had given the lettuce shippers information that the houses are owned entirely by us and that the G.N. has no interest in them and that the only right they have is to have the cars switched in and out of the plants. They wanted us to write the lessees and tell them the G.N. had equal rights with the N.P. in these houses. We said if they insisted upon it a letter would be written to the lessees telling them just what the G.N. interest is; that is, the N.P. has the money invested in these houses and the G.N. are paying 2¼% interest in order to be able to reach them, but no such letter has been written as we have not heard further from the G.N. Feel sure if any such letter is sent to the lessees it will help more than harm us.

During this conference P.H.Burnham brought up the question of their right to acquire property and build lettuce houses, which led us to believe they are contemplating such action, and acting on this information I suggested to Mr. Coman that we purchase some additional property at Kent, Sumner and Auburn where we have no sites left for future industries. We feel sure there will be a demand in the future for more lettuce houses in the Valley as there is still a large acreage of land not under cultivation.

Am attaching copy of Mr. Coman's letter to Mr. Donnelly of the 16th. The three pieces of property we have picked are about all there is left at these three points and the G.N. would have difficulty in securing anything which would be satisfactory. When Mr. Williams gets the options, the matter will be taken up further.

signed J.L.Burnham.

copy.

Copy on 999-118

NOTED BY
C. D.
B. W. S.
J. H. P.
E. M. W.
F. W. D.
L. R. F.

PRESIDENTS
File 2728-8

St. Paul, Minn., June 25, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of June 23, in regard to some additional expense because of the extension of the warehouse at Kent to provide added space for F. H. Hogue:

Voucher enclosed with your letter for $250.39 has been approved, with the understanding that this amount shall be added to the valuation on which Mr. Hogue pays rental.

Your file is returned herewith.

(Signed) CHARLES DONNELLY

encl.

PRESIDENTS
File 2728-8

NOTED BY
C.D.
B.V.S.
J.P.E.
E.M.W.
J.W.D.
L.R.F. ✓

June 23, 1934.

Mr. Donnelly:

The Railway Company agreed to extend the packing shed at Kent, Washington, leased to F. H. Hogue at an estimated cost of $4500. The work was completed in May and the total cost reported by the District Accountant is $4185.75.

In addition to this expense Mr. Hogue had the Ramstead Electric Company do certain electric work at the cost of $250.39, and requests that the Railway Company assume this expense. A voucher covering the same, approved by the West End officers and also by Mr. Blum, is handed you herewith. Will you please authorize with the understanding that the amount will be added to the valuation of the improvements upon which Mr. Hogue is required to pay rental at the rate of 8% per annum

J. L. Watson

NOTED BY
C. D. ✓
B. W. S. ✓
J. H. P. ✓
E. M. W. ✓
F. W. D. ✓
L. R. F. ✓

2728-8

St. Paul, Minn., June 20, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

In accordance with your letter of June 19, lease to the Pacific Distributing Company, Inc., covering the packing shed at Kent formerly leased to Sawdey & Hunt, has been executed in triplicate and is returned herewith.

C. W. S.

(Signed) CHARLES DONNELLY
S

encl.

June 19, 1934.

Mr. Donnelly:

Herewith lease from the Northern Pacific Railway Company to the Pacific Distributing Company, Inc., of the packing shed at Kent formerly leased to Sawdey & Hunt. This lease was authorized in your letter of May 11th to Mr. Coman.

Objections were made by the lessee to some of the provisions in the lease. One of the objections was to our insurance clause, but after the reason for the clause was explained to the lessee they accepted the lease with the insurance provision.

The lessee requests that the lease be executed in triplicate.

J. L. Watson

JLW-M

PRESIDENT'S
File 2728-8
NOTED BY
C. D.
B. W. S.
J. H. P.
F. M. W.
T. W. D.
L. R. F.

Seattle, June 16, 1934.

Mr. Charles Donnelly,
President.

We have handled so far this season about nine hundred carloads of vegetables, principally lettuce and peas, from the district between Seattle and Tacoma, which Mr. Burnham advises is in excess of two-thirds of the total number of cars so far shipped via all lines. The price has been very satisfactory to the grower, who has been adopting modern methods in the production of his crops during the last two or three years, with the result that we are all convinced that further development will continue.

Copy on 999-118

After discussing conditions with some of the important men interested in the industry, it is our opinion that the production of lettuce will gradually increase and that the production of peas will materially increase. Cauliflower and other vegetables are being raised in larger quantities and, after inspection of the situation in the valley with Mr. Burnham and Mr. Williams, it has been decided that we should acquire some additional warehouse sites at Kent, Auburn and Sumner. There are certain pieces of property at each point which are ideally situated for this purpose and I have asked Mr. Williams to endeavor to secure options on them if they can be purchased for a reasonable price in order to be in position to make a definite recommendation to acquire more property which we must have to protect our interests.

2728-8 2728-8 999-118

The Milwaukee-Union Pacific are active and the Great Northern has secured such a small portion of this traffic - about thirty cars so far this season - that they are very much dissatisfied and have intimated that they will consider purchasing property to locate warehouses, rather than to continue the arrangement under which the Northern Pacific makes the location on the joint line and consummates the arrangement with the lessee.

I am advising you at this time as a matter of information.

H E Coman

CD

NOTED
C.D. 8
F.W.S.
J.H.P.
E.H.W.
F.W.C.
L.R.F.

PRESIDENT'S
File 2728-8

St. Paul, Minn., June 7, 1934. A4

Mr. J. L. Watson,
Right of Way Commissioner.

Referring to your letter of June 5, with regard to assignment by the Western Washington Vegetable Growers Association of a lease covering lettuce warehouse at Auburn to the Washington Vegetable Growers Association, Inc.:

This assignment has been executed for the Railway Company and is returned to you herewith.

(Signed) CHARLES DONNELLY
P

PRESIDENT'S
File 2728-8

NOTED BY
C. D.
B. W. S.
J. H. P.
E. M. W.
T. W. D. ✓
L. R. F.

June 5, 1934.

Mr. Donnelly:

The Railway Company leases to the Western Washington Vegetable Growers Association for term of ten years from May 1, 1934 lettuce warehouse at Auburn at a rental of $1,456.22.

The lease has been assigned by the Western Washington Vegetable Growers Association to the Washington Vegetable Growers Association, Inc.

A scale has been installed at the cost of $827.97 covered by A.F.E. 318-33, and the rental has been increased on that account from $1,456.22 per year to $1,522.56 per year.

The assignment and rental agreement, in duplicate, are handed you herewith. Will you please execute for the Railway Company?

J. L. Watson

JLW-M

INSTRUCT BY
C.D. ✓
E.W.S. ✓
J.H.P. ✓
E.K.W. ✓
F.W.D. ✓
E.R.F. ✓

2728-8

St. Paul, Minn., May 11, 1934. A4

Mr. W. E. Coman,
Vice President.

I have your letter of May 5, in regard to lease to the Pacific Distributing Company of the packing shed at Kent heretofore used by Sawdey & Hunt, and approve the action you have taken.

S

cc-Mr. J. L. Watson

2728-8

Seattle, May 5, 1934.

Mr. Charles Donnelly,
President.

I am attaching copy of Mr. Williams' report of May 1 and Mr. Burnham's letter of May 3 regarding the cancellation of Lease #48988, issued to Sawdey & Hunt for packing shed at Kent, Washington, and granting new lease for the shed to the Pacific Distributing Co. for one year at the same rental, authority for which is requested.

Sawdey & Hunt was one year behind in its rent and has withdrawn from business in this territory, with the result that this shed would have been vacant if we had not been fortunate in securing the Pacific Company as a tenant. This company is controlled by H. Rothstein & Son, Philadelphia, a large dealer in fruit and vegetables, and is the first eastern concern that has come into our territory to operate a shed for the handling of lettuce, etc. They were negotiating to lease a packing shed owned by the Milwaukee at Kent and also to rent from Sawdey & Hunt its equipment located in our shed, which they planned to use in the Milwaukee Shed, and we were advised that the Milwaukee had agreed to spend about $2,500 to rehabilitate this building. Under the circumstances, it was necessary to act promptly and I authorized Messrs. Burnham and Williams to close the lease with the Pacific Company after arranging with Sawdey & Hunt for cancellation of its lease and payment of the uncollected rental of $496.98, check for which has been received.

Sawdey & Hunt also operated a packing shed on the Milwaukee at Kent, in which they had their office, and it was therefore unnecessary to furnish an office in our shed in the usual way. The Pacific Company will require an office and it was necessary to agree to furnish it, at an estimated cost of $280.00, the rental of the shed to be $500. We have restricted the lease to one year as we wished to be in position to protect our interests and those of the lettuce growers in case the policy of the Pacific Company, as an eastern commission house, should not be fair to the local producer.

W C Sloan

cc Mr. W. C. Sloan,
Mr. J. L. Burnham,
Mr. V. E. Williams.

2728-8

Seattle, May 3, 1934.
File B

Mr. W. E. Coman, V.P.:

Referring to your inquiry of the second relating to the cancellation of the Sawdey & Hunt lease. Am quoting below letter of May 1 to Mr. Clark, which recommends leasing of warehouse to Rothstein & Son:

"Am sending you herewith copy of Mr. Williams' letter to Mr. Coman today in regard to cancellation of the Sawdey & Hunt lease, covering packing shed at Kent, and re-leasing it to the Pacific Distributing Co., which company is controlled by H. Rothstein & Son of Philadelphia.

"Sawdey & Hunt have given up the raising of lettuce and peas on a large part of their land in the valley, particularly tributary to Kent, and would not have had use for our shed this season, with the result it most likely would have been idle.

"Rothstein & Son originally applied to us for a building but we had nothing to offer them and we were not willing to recommend the construction of one for a one or two year lease. They had decided to take the old Sawdey & Hunt house at Kent which the Milwaukee had agreed to fix up at an expense of $2,500 and lease to them for $25 per month. The deal proposed in this letter was finally worked out and we believe it is a very satisfactory one. Sawdey & Hunt were behind in their rent $496.98 and on account of the firm being practically broken up there is some question as to their continuing any length of time.

"Rothstein originally wanted a two year lease, but we were only willing to give them a one year lease as we want to know how they are going to treat us, and can of course deal with them again next season. Hope you will approve of this arrangement."

J. L. Burnham
Western Traffic Manager.

fac-mck

2728-8

Seattle, May 1, 1934.

Mr. W. E. Coman,
Vice President.

Pursant to the discussion you, Mr. Burnham, Mr. Grubbs and I had, we have now arranged for the cancellation of lease No. 48988, in favor of Sawdey & Hunt, covering packing shed at Kent, as of April 30, 1934.

We have arranged to lease this shed at substantially the same rental, $500.00 per year, to the Pacific Distributing Company (Rothstein) for a period of one year with option for another year and I enclose form of lease which if satisfactory please initial and return to me.

This shed was constructed in the spring of 1931 at a cost of $5,462.27 after we had secured a lease contract with Sawdey & Hunt for a lease for a period of five years at a rental equal to eight percent per annum on the actual cost of the structure plus $60.00 per year land rental which made up the total rental of $496.98 per year.

Sawdey & Hunt has abandoned its operation in this territory for the 1934 season and as a matter of fact did not pay its 1933 rental and was asking for cancellation of the lease. A few days ago we found that they were about to make a deal with the Pacific Distributing Company to lease it their equipment in our shed and move it to a packing shed now vacant owned by the Milwaukee at Kent and the Milwaukee had agreed to spend about $2,500 to rehabilitate their shed and in order to get things ready for the approaching packing season it was necessary to take immediate action.

We made Sawdey & Hunt a proposition that if they would surrender their lease for cancellation and pay up the delinquent rental, amounting to $496.98, that we would cancel the lease, which proposition they have accepted as you will note from the attached exchange of telegrams between our Agent in Los Angeles and Mr. Burnham.

The advantage in this deal is that we would probably have difficulty in holding Sawdey & Hunt, as an unwilling tenant, particularly becasue it is understood that there is trouble in the firm caused by a break between Mr. Sawdey and Mr. Hunt, and even if we could hold them it seems certain that there would be no business handled through the house this year. It is also an advantage to use this pressure to collect the delinquent 1933 rental and hold Sawdey & Hunt's equipment in our shed.

The Pacific Distributing Company is controlled by H. Rothstein & Son of Philadelphia, receiver and distributor of fruit and vegetables. Rothstein for several years has bought lettuce and peas in this territory but this is the first year he has attempted to operate a packing shed. This change has been brought about on account of the difficulty in securing money to grow crops this year and Rothstein found an opportunity to make about $12,000 advances to growers in the vicinity of Kent, giving him control of the crop packing and marketing and it is expected that he will ship through the Kent house this season between 100 and 150 cars.

Under our regulations the president's authority is required for cancellation of the Sawdey & Hunt lease, as well as the granting of the Pacific Distributing Company lease, but on account of the absolute necessity for immediate action we have had to commit our company to go ahead with the arrangements as above outlined.

You will remember there was another matter discussed with you in connection with this lease. Sawdey & Hunt did not require an office in this shed, their office work being conducted at their house on the Milwaukee. Rothstein requires an office immediately and in accordance with our understanding we have arranged with Mr. Stotler to contract the w work to W. J. Boulder at a cost of $280.00 with specifications that the office will be ready for occupancy by May 6.

V. E. Williams.
Western Right of Way Agent.

cc Mr. J. L. Burnham,
Mr. J. L. Watson.

(copy)