

Gwinner, Arthur

March 28, 1898

Hill to Gwinner

I go abroad April 9 for 2 weeks and hope to see you in Berlin. While in New York recently the plan for buying entire land grant of Northern Pacific was being considered, but JJH advised against it because of squatters, characteristic of the West, e.g. the notorious Des Moines Improvement Grant. It took 30 years of litigation and a great deal of state & federal legislation before title was finally recognized, even tho' land had been patented to Co. by fed. govt. yrs before & "even now thousands of acres of these lands are occupied by farmers who have fine houses & farm buildings . & the owners dare not dispossess them by law." N.P. has about 4 mill-

ION DOLLARS OF LAND CONTRACTS AT 6% INTEREST,
also proceeds of their best heavily timbered
lands in Montana & Washington. Re recent "Neb-
raska Case," i.e. that state legislatures cannot
fix rates for use of rr. property by public that
will take from rrs the right to earn a fair and
reasonable return upon the value of the property
used by public & value of such property is the
amount of money honestly & intelligently spent
in construction of property & the cash cost of
permanent improvements & additions thereto. Re
present N.D. case where great difficulty is be-
ing experienced trying to show enough cost of
construction of N.P.; chief engineer's figure
was \$35,000, to \$40,000 per mile, & so he was
an impossible witness for N.P. in trying to jus-
tify capitalization of stock & bonds of \$66,000

See next card

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to \$67,000 per mile. Offers plan for combining sale of N. P. stock & lands so as to reduce capitalization per mile \$10,000. Average Eastern railroad directors have no understanding of all these Western matters.

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