

Lamont, Daniel S.

July 17, 1898

Hill to Lamont

"Mr. Mellen has no sound levelheaded judgment."
"Adams has made a mess of everything he has undertaken and has forfeited the good will and confidence of every man he has ever been associated with." Even Schiff admits he has been deceived. Have been to Chicago to see Harriman, chairman Union Pac. "to try to avoid a crisis between that Company and the Northern Pacific." Need & plan for reducing capital of N.P."The State of Washington today is about the worst example [of building rrs without adequate population centers] & this has been brought about by the N.P., or more properly the Villard policy of building & buying rrs running from paper

owns to a wagon track or a miner's trail in some remote district to a very uninhabited. "If the public knew that 15 miles here & 20 miles there were abandoned... for the reason that the Co. could not operate them without a loss, it would go farther than anything else to change the tone & attitude of the public towards the Railway Companies. Yet Mellen goes on proposing to buy & lease new lines [lists some including the Fargo Southern running from Fargo to Ortonville] Nor. Pac.'s equipment, locomotives &c vastly overvalued. Instead of considering payment of a dividend on N.P. common stock, they should write off as fast as possible this bag of wind which was injected into the re-organization. I have been working for two months with Lord Mount Stephen to bring about a settlement of the pass

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enger rate war with the Canadian Pacific on a basis that would be permanent & would forever remove the cause of the present trouble." Van Horne seems anxious to have such a settlement & is to be here tomorrow to take up the matter. Yet Mellen offered a differential after asking me to stand by N.P. against one. "Mellen...has no business judgment more than a child. He appears to have lost his head completely, and is unfit to occupy the position he does at the head of a corporation representing so large a capital. Unless he is absolutely and firmly restrained the N.P. will be in a rate war, not only with the Canadian Pacific but with the Union Pacific and all other lines in its neigh-

borhood. Canadian Pacific has the whole Canadian government backing it strongly, whereas in the United States every hand is against the railroads.

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