


Minneapolis - Business conditions May 21, 1886

Minot to J.S. Kennedy


Re next annual meeting of St. Paul & Duluth Road here in June. Re recent improvements and need of many more: new yard, new flour warehouse, and beginning a new coal dock; and at St. Paul better terminals, new shops, & a considerable reconstruction of the line, originally very badly located. Traffic now is greatly crippled by heavy grades & excessive curvature. "For the Company to add to its capital account, which already is enormous in proportion to the mileage would be to put the knife to its own throat." "Minneapolis is becoming much of a problem": mills not prosperous  "and it is difficult to see what sure hold they have upon the future

beyond the advantage that capital once fixed...
(1) always has....Water power counts less and less
every year as a factor in the conduct of manu-
facturing business...A discrimination in the
rates against Duluth in favor of Minneapolis
could not be justified by the Manitoba Company
as an economic measure on its own part.As it is
now,our rates on grain from points in the Red
River Valley are the same to Minneapolis and
Duluth.The millers have to pay separately for
the transportation of their flour to Duluth,
from which point it cannot be forwarded to Buf-
falo as cheaply as grain can.The question is...
whether before long,Duluth and Buffalo,getting
cheap coal supplies,and being nearer to Eastern

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cannot manufacture and market flour more cheaply than Minneapolis." Pillsbury and associates are desirous that we should give them milling in transit, by which we could make a comprehensive rate, including both the haul of wheat to Mpls and the haul of the flour thence to Duluth. This would reduce our gross earnings... Moreover, we should injure the trade of Duluth and excite the jealousy of the farmers, who would feel that we were reducing the rates in a way to benefit a great monopoly, rather than the agricultural community at large, for the farmers' market today is really Duluth." For Minneapolis from some points of view is no longer of great importance

to us. "It is simply a manufacturing city, and not a trade centre as  Paul is. Nor do we feed the population of Mplis, for their supplies are brought them by other lines than ours." Mplis h has unquestionably been of great value to Minn. and to Dakota in the past by establishing a market for the farmers, and making known to the world the excellence of our No. 1 hard wheat."

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