

Road

Northern Pacific ~~Railroad Co.~~ July 17, 1898

To D. S. Lamont

"Mr. Mellen has no sound levelheaded judgment Adams has made a mess of everything he has undertaken and has forfeited the good will & confidence of every man he has ever been associated with." Even Schiff admits he has been deceived. JJH has been to Chicago to see Harriman, chairman of 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 roads without adequate population centers] & this has been brought about by the Northern

Pacific, or more properly the Villard policy of building and buying railroads running from paper Towns to a wagon track or a miner's track in some remote district totally uninhabited." "If the public knew that 15 miles here & 20 miles there were abandoned ... for the reason the Co. could not operate them without a loss it would go farther than anything else to change the tone and attitude of the public towards the Railway Cos." Yet Mellen goes on proposing to buy & lease new lines [lists some including the Fargo Southern running south from Fargo to Ortonville]. N.P.'s equipment of 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 unjust

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ed into the reorganization. I have been working for two months with Lord Mount-Stephen to bring about a settlement of the passenger rate war with the Canadian Pacific on a basis that would be permanent and 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. Ye Mellen offered a differential after asking JJH 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 &

firmly restrained the Northern Pacific will be in a rate war, not only with the Canadian Pacific ~~and~~ other lines in its neighborhood." Canadian Pacific has the whole Canadian govt. to back it strongly, whereas in the United States every hand is against the railroads."

JJH Letter Book, 10/11/95 - 3/13/99. p. 357