

Stephen. George

April 26, 1901

Hill to Stephen

A long and detailed letter of importance.

"We have been making railway history pretty fast for some time in our part of the country. ... I think it is safe to estimate our net income at \$25,000,000 at the end of 1906...leaving the amount [of interest charge] \$3,500,000 yearly or ... less than \$500,000 per mile of road fixed charge. This makes the stock practically a bond, with the advantage that it is not taxable." Then shows how the Burlington Road "lets us into all these [provision centers (Kansas City, St. Joseph, Omaha, Chicago, & St. Louis),

lumber centers(Chicago, Wisconsin, Illinois, St. Louis, Iowa, Nebraska [redacted] Kansas), districts and commercial centers over better lines and with better terminals than any other road..." 75 or \$80,000,000 of the Burlington is held by small holders many of whom got it by inheritance. The average holding of the stock by the Co's books is 68 shares... of nearly 15,000 shareholders. When I took the question up with Pres. Perkins of the Q he gave me the whole situation. He was anxious to make an alliance with the Gt. Nor. leaving the N.P. out, but I soon showed him that this would be neither wise nor feasible... Our plan is based on owning not less than two-thirds of the Q shares, which enables us to form a new company, the CB&Q Rail way Co., which will lease

See card 2

Stephen, George card 2 April 26, 1901  
the property of the present Company the rental  
being the interest on the bonds paid for the  
purchase. The stock of the new company to be  
divided between the Gt.Nor. and the Nor.Pac.  
equally \$50,000,000 to each. Estimates for  
future years. "Now the figures look ~~very~~ large  
and are as easy to place on paper as much  
smaller ones but I cannot see where they can  
be materially reduced. The U.S. has doubled its  
population every 30 yrs. since 1790. This  
spring has brought more new people onto the  
lines of the Gt.Nor. than at any previous time.  
I expect our growth [to 1930] will not be dim-  
inished [at present rate will be 150,000,000]  
Wants Stephen to come ~~to~~ to go from N.Y. to

St. Paul and the Coast, and then on the "Wacouta" to Labrador (St. John and Esquimaux Rivers) for salmon fishing. "The enclosed photo will give you a fair idea of the Wacouta -1000 tons-1000 horsepower, plenty of room, and the most comfortable pleasure ship in the world." Thn takes up the Burlington Road again. "Schiff and the Union Pacific party nearly a year ago bought over 100,000 shares of the Q road and asked for a Director. The Boston Board told them flatly they could not have a single director until they had control, when they might have all the Board." Asked what a majority would be "not less than 200 cash for every share which would be submitted to the shareholders of the Q. We had much the same conditions to meet. The

See card 3

Stephen card 3

April 26, 1901

The market price was 5 points higher when we began the deal. The price named in the first interview was the price ultimately agreed upon!"

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