


Manitoba Road - Bonds
Hill to Thos. Pearsall

July 26, 1883

Re scurrilous article in The Indicator. The true facts are as follows. When it was concluded to issue a consolidated bond, which would eventually absorb the existing bonds and leave but one security on the property, it was found the Co. owned the entire stock of four other railways with 210 miles of road equipped and in operation also stock in other companies & other very valuable property amounting to over \$13,000,000 which was not represented in the bonded debt of the Co. and which had been acquired with money that otherwise would be available for division between the  holders. The Director

Directors decided to consolidate these lines with this co. & to reimburse the stockholders pro rata to the extent of \$9,000,000 of the \$13,000,000 by allowing them to buy the consolidated bonds to the extent of \$10,000,000 by paying the additional \$1,000,000 pro rata according to the shares held by each. This made the total bonded debt of the road a little less than \$22,680 per mile secured by 2,500,000 acres of land which is selling at an average of about \$6.00 per acre, about \$1,000,000 of land contracts bearing 7% and the entire property, terminals and equipment of 1,325 miles of railway, and securities and stocks of other cos. the market value of which is over \$2,000,000. Other figures on operating expenses, &c.

JJH LetterBook, 3/15/83 - 7/31/83, p. 426