

- M459 Northern Pacific Railway Company. Secretary's Department. Unregistered Letters Received and Related Records, undated and 1864-1876.  
36 rolls positive microfilm. Originals are in the Minnesota Historical Society, St. Paul.  
Collation of the originals: 12 feet.

#### INTRODUCTION

The Unregistered Letters Received and Related Records from the secretary's office of the Northern Pacific Railway Company, undated and 1864-1876, which measure 12 feet, are part of a larger series of Letters Received, Unregistered: President, Vice President, and Other Officers, undated and 1864-1922. This series, in turn, is part of the archives of the Northern Pacific Railway Company, donated by the company to the Minnesota Historical Society beginning in 1969. (For more information on the origins of the collection consult the Guide to a Microfilm Edition of the Northern Pacific Land Department Records, pp. 4-5.)

This microfilm edition is intended to parallel, and to be used in conjunction with, the microfilm edition of the Northern Pacific Railway Company Land Department Records, 1870-1876. The Secretary's Unregistered series contains much material relating to the affairs of the Land Department, including correspondence to and from Land Department officers, letters stamped "Land Department" or written on Land Department stationery, as well as the material from eight letter books originally accessioned with Land Department records. Although the Land Department did not come into existence until 1871, the earlier records of the secretary's office, dating from 1864, have been filmed in order to provide background information on the Land Department's organization and activities.

### Provenance of the Records

The Secretary's Unregistered Letters Received is an artificial series created by the Minnesota Historical Society from various miscellaneous materials. Its nucleus was a group of unbound letters and related records addressed to company officers that was found among the records of the Northern Pacific secretary's office but not incorporated into the numbering system and correspondence registers maintained by that office. During the course of organizing other series of correspondence held in the office of the secretary, a number of isolated folders, bundles, and scrapbooks labelled "Office of the Secretary" and containing material addressed to company officers were discovered. The subjects covered were similar to those in the initial unregistered group, but the arrangement varied. Some of these small groups were arranged alphabetically by signer, some alphabetically by recipient, some chronologically by date of creation, and some chronologically by date of receipt. The various groups were integrated into a single chronological series arranged by date of creation.

The last component of this series consists of letters from eight letter books originally accessioned with Northern Pacific Land Department records. The letters were addressed to President Smith from other officers of the company, the Minnesota and Pacific districts, Jay Cooke & Co., and others during 1870-1871. They obviously belonged in the unregistered correspondence from the viewpoints of recipient, authors, dates, and subject matter. Therefore, the letters were removed from the volumes and interfiled chronologically in the Secretary's Unregistered series.

### Arrangement of the Records and Microfilming Techniques

The manuscripts in the Secretary's Unregistered series are arranged and microfilmed in a single chronological sequence, with undated, partially dated, and questionably dated items filmed before those which are fully dated. Attempts have been made to date all undated or partially dated items; however, due to time constraints, it has not been possible to determine with certainty the date of every such document. The reader, therefore, is urged to use caution when dealing with items to which dates have been added in brackets. When the month and day of a document are known, but its date could fall in two possible years, the original is filed under one year and a

photocopy is filed under the alternate year. When this technique is used, the photocopy is accompanied by a typed target identifying it as such and indicating the date under which the original is filmed.

Some exceptions have been made to the strict chronological arrangement of the records. Enclosures, no matter what their dates, have been filmed whenever possible immediately after the items with which they were enclosed. In instances where one document contains significant information necessary to the understanding of another, a photocopy of the former was made and filmed together with the latter. In addition, certain groups of manuscripts, such as those consisting of the same record type, those relating to a particular topic, or those pertaining to a particular legal or business transaction, are sometimes filed together under a single appropriate date. Typewritten targets usually indicate these groups of documents on the film. The most significant instance of this practice is the bondholders' inquiries about the railroad's reorganization in 1875, which are filmed in two large groups (July 9 - August 11, 1875, and August 12 - December, 1875).

Legal documents generally are filed under the date on which they were originally written. Financial statements and lists of business transactions, such as contracts, which contain entries made over a period of time, are usually filed under the date given the document by the railroad's clerical staff, which is usually contained in the endorsement. If no such date appears, the document is filed under the date of the latest entry.

#### Physical Condition of the Records

The manuscripts are in relatively good physical condition. Some pieces, however, especially copies of letters taken from letterpress books and rough penciled notes written on newsprint paper, are difficult to read. Manuscripts sometimes are filmed more than once at different camera settings in an effort to compensate for faded or blurred writing and discolored paper.

## HISTORICAL SKETCH

The Northern Pacific Railroad Company was chartered by the United States Congress in 1864 and empowered to construct a railroad and telegraph line along a northerly route from Lake Superior to Puget Sound. In return for building the road, the company was granted title to all the odd-numbered sections of land lying within ten miles either side of the line where it was located in states, and within twenty miles either side of the line where it passed through the territories. On December 7 of that same year the company was formally organized with the election of Josiah Perham as president and his brother Charles S. Perham as secretary.

Financing for the new company was difficult to obtain. When Perham's efforts to finance construction of the road failed, he was replaced as president by John Gregory Smith on January 5, 1866. On January 31, 1866, Hamilton A. Hill, an influential businessman, became secretary. That summer both officers were occupied with lobbying unsuccessfully in Washington, D.C., for a congressional subsidy for the railroad.

For the next two years the company labored intermittently to secure financing from the federal government. Finally, in 1869, negotiations were opened with the renowned banking house of Jay Cooke & Co., and by the beginning of 1870 a final agreement was concluded. As the Northern Pacific's financial agent, Jay Cooke & Co. was authorized to sell \$100 million worth of bonds secured by a first mortgage upon all the "lands and property, real and personal" of the railroad. In May, 1870, Congress passed a joint resolution granting the railroad permission to pledge its as yet unearned lands as security for the first mortgage bonds.

Thus, the key element in the project was the land grant. Financial success was predicated upon the assumption that the proceeds from the sale of the company's lands would be used to redeem the first mortgage bonds. It was the job of the Northern Pacific's Land Department to promote and supervise the sale of these lands.

In these efforts the secretary's office seems to have worked closely with the Land Department. Apparently Jay Cooke had arranged to have Samuel Wilkeson, a journalist who had often worked with Cooke in previous years, installed as secretary on March 9, 1870.<sup>1</sup> The organizational structure of the company was fluid during the 1870s, and the secretary functioned as the corporate record keeper. Therefore, any of the business handled by the Land Department might pass through the hands of Wilkeson in the secretary's office, and the records of the one became intermixed with those of the other.

Wilkeson's experience as a journalist in promoting the sale of Civil War bonds for Jay Cooke made him particularly suited for helping with the promotion of the Northern Pacific and its lands. In June of 1869, even before he had become secretary of the company, Wilkeson had accompanied an expedition commissioned by Jay Cooke to explore the western end of the proposed Northern Pacific route. While on this expedition he wrote several letters to Cooke that glowed with praise for the territory and the railroad's prospects. On his return he published "Wilkeson's Notes," a pamphlet describing the lumber and coal resources of the Puget Sound region. In this and in other promotional writing, Wilkeson's prose was so enthusiastic—some would say exaggerated—that opponents of the railroad derisively referred to the area of the land grant as "Jay Cooke's Banana Belt".

Despite the best efforts of the Land Department and the secretary, sales were slow, and the company grew short of funds in 1872. During this crisis Wilkeson was in a position to serve virtually as Jay Cooke's agent within the company. Cooke was becoming disenchanted with Smith as president, mainly because of his negligence and fiscal extravagance. Wilkeson reported to Cooke that no one but himself was at the New York office and that Smith was wasting money. At the urging of Cooke and the board of directors, Smith resigned in June, 1872. On October 1, 1872, he was replaced by George Washington Cass. Cass attempted to enforce economies on the company's operations. Expenditures were curtailed, and

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1. Some sources give the date as May 23, 1867. According to the personnel files of the company, he was officially elected on March 9, 1870. He remained secretary until December 5, 1889.

staff was reduced. The secretary's office continued to function, however, handling some matters that would ordinarily have been handled by clerks of the Land Department.

Despite such measures the company remained in severe financial straits. When Jay Cooke & Co. collapsed in September, 1873, the Northern Pacific situation became desperate. However, a brilliant reorganization plan devised by Frederick Billings and adopted in 1875 saved it from total failure. The Northern Pacific was able to survive and continue operations and construction, although on a much reduced scale.

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This historical sketch and the chronology that follows were largely taken from William M. Bomash, Guide to a Microfilm Edition of the Northern Pacific Land Department Records (St. Paul: Minnesota Historical Society, 1983). A more extensive historical sketch of the Land Department is published in that guide.

## CHRONOLOGY

*Selected events in the history of the  
Northern Pacific Railway Company, 1864-1896*

### 1864

July 2

Congressional act chartering the Northern Pacific Railroad Company.

September

First board of commissioners meets. Ariel Abbott chosen secretary.

December 2

Company organized. Josiah Perham elected president and Charles S. Perham elected secretary; they serve until January 5, 1866.

### 1865

Perham's attempts to finance construction of the road through the sale of capital stock prove futile.

### 1866

January 5

John Gregory Smith elected president; serves until October 1, 1872.  
Hamilton A. Hill becomes secretary.

April-July

N.P. unsuccessful in attempts to obtain congressional subsidy for construction of the railroad.

May 7

Congress grants N.P. a two-year extension of the deadline for beginning construction of the road.

### 1867

Board of directors continues its attempts to arrange satisfactory financing.

May

Board of directors commissions Edwin F. Johnson to undertake preliminary surveys and suggest potential routes.

### 1868

February

N.P. unsuccessful in further attempts to secure government subsidy.

July 1

Congress grants a second two-year extension of the deadline for beginning construction of the road.

1869

March 1

Joint congressional resolution allows N.P. to issue bonds secured by a mortgage on the railroad and the telegraph line to finance construction of the road.

April

Report on preliminary surveys prepared.

May 20

Preliminary arrangement by which Jay Cooke & Co. agrees to assume financial management of N.P.

June

Jay Cooke & Co. commissions W. Milnor Roberts to conduct additional surveys of the route. Samuel Wilkeson accompanies expedition; writes promotional pamphlet.

1870

January 1

Final agreement with Jay Cooke & Co. signed. Sale of first mortgage bonds begins.

February 15

Ground breaking ceremonies at Thompson Junction (Carlton), Minnesota.

March 9

Samuel Wilkeson elected secretary.

April 7

N.P.'s executive committee authorizes purchase of two-thirds of the stock of the St. Paul and Pacific Railroad Company.

May 31

Joint congressional resolution authorizes N.P. to issue bonds secured by a mortgage on its land grant to finance construction of the road.

July 15

Congress grants Civil War veterans special homesteading privileges on land within the withdrawal limits of land grant railroads.

August

Lake Superior and Mississippi Railroad completed, linking N.P. with Duluth and St. Paul.

N.P. starts laying track in Minnesota.

August 13

Preliminary maps of N.P. routes in Minnesota, Oregon, and Washington Territory filed with U.S. Department of the Interior.

1871

February 1

Land Committee established; Frederick Billings named chairman.

March-April

Land Department organized; Minnesota and Pacific districts created; James G. Dudley hired as chief clerk, New York office.



March

Rail line in Minnesota completed to Brainerd.  
John W. Sprague named general agent for N.P.'s Pacific operations,  
with a variety of duties.

March 3

Congress approves changes in the proposed route of the St. Paul  
and Pacific, St. Vincent extension, to Pembina, Manitoba.

March 16

Tracklaying begins at Kalama, Washington Territory.

March 22

John S. Loomis appointed land commissioner.

April 19

Loomis, Smith, and others visit Minnesota to inspect lands; re-  
turn to New York by May 23.

May

New England Military and Naval Bureau of Migration inspects N.P.  
lands in Becker County, Minnesota. Preliminary settlement  
established at Detroit Lake shortly thereafter.  
George B. Wright hired as special agent to supervise land examin-  
ations in Minnesota; appointment confirmed on June 3.

June 21

Major George B. Hibbard appointed N.P. commissioner of emigration  
for soldiers' colonies.

July-August

Excursion party of East Coast newspaper editors travels along N.P.  
line in Minnesota.  
Members of the board of directors travel to Minnesota to inspect  
N.P. lands and decide where the line would cross the Red River  
of the North.

July 31

Loomis visits Minnesota and Dakota Territory. Returns to New York  
ca. January 8, 1872.

August

German "commissioners" tour N.P. lands in Minnesota.

Early autumn

First 25 miles of track completed in Washington Territory.

November 16

N.P. president authorized to engage Benjamin F. Wade to act as  
company attorney in Washington, D.C.

November 17

Billings authorized to set up a system of tree nurseries along  
the line.  
"Land exploration tickets" are to be sold to prospective pur-  
chasers of N.P. lands.

November 21

Map of final location of the line in Minnesota filed with U.S.  
Department of the Interior.

ca. December 8

Track completed through Minnesota to the Red River of the North.

Winter

Bond sales slump.

January

First mortgage bonds offered on the European market.

February 10

Contract signed with L. H. Tenney and Company, promoters of the Red River Colony, for purchase of N.P. lands in Clay County, Minnesota. Tenney subsequently becomes agent for sale of N.P. lands in this area.

March

Northern Pacific land and emigration office opened in London, with George Sheppard as general manager; appointment confirmed on May 3.

March 1

Congress passes legislation establishing Yellowstone National Park.

March 6-7

N.P. administrative structure reorganized. Land Committee abolished. Billings appointed managing director of the Land Department.

March 16

Loomis resigns as land commissioner, effective April 15, 1872.

March 20

Alfred Bayard Nettleton officially appointed agent for N.P. trustees, Jay Cooke and J. Edgar Thomson.

April-May

Network of local Land Department agencies established in Minnesota. Main groups of colonists start arriving at Detroit Lake and Red River colonies.

April 1

Hibbard promoted to superintendent of emigration.

April 2

Land Department adopts designations "Minnesota district" and "Pacific district" for its two subdivisions.

April 4

Soldiers' and sailors' homestead law passed.

May 1

N.P. leases the Lake Superior and Mississippi Railroad.

May 3

Executive committee of board of directors confirms appointments of George B. Wright as general agent for the Minnesota district, John W. Sprague as general agent for the Pacific district, and George Sheppard as general manager for Great Britain; approves schedule of prices for lands in Minnesota.

Sale of "land exploration tickets" ceases.

May 30

First N.P. lands in Minnesota sold.

Summer

N.P. plagued by lack of funds.

1872 (cont.)

June

Immigration reception houses opened at Duluth, Brainerd, and Glyndon, Minnesota.

Land Department office opened in Liverpool.

June 7

Congress orders U.S. Secretary of the Interior to investigate validity of the Sisseton and Wahpeton Sioux Indians' claims to lands in Dakota Territory.

July 9

First payment made by Detroit Lake Colony for its lands.

August

European agency established for southern Germany and Switzerland.

August 4

Reverend George Rodgers arrives in Minnesota from England to select lands near Glyndon and Hawley for the future Yeovil Colony.

August 19

Commissioner of U.S. General Land Office rejects N.P.'s claim that withdrawal of its land grant properties from public sale, homestead, or preemption should coincide with the filing of the map of the line.

September-October

N.P. exhibits displayed at various fairs and exhibitions in the U.S.

Executive committee of the board of directors visits Pacific coast to inspect sites for N.P. western terminus.

European emigration agents appointed.

October

Construction of the eastern portion of the road completed to within 30 miles of the Missouri River.

October 1

George Washington Cass assumes the presidency of N.P.; serves until April 22, 1875.

November

Additional 40 miles of road completed in Washington Territory. Financial difficulties necessitate the dismissal of local land agents in Minnesota and the reduction of the district office staff in St. Paul.

November 4

First N.P. lands in Washington Territory sold.

November 21

William Alanson Howard appointed land commissioner; formally accepts appointment on December 5.

November 25

James G. Dudley, chief clerk of the New York office, dies. His duties are assumed by the bookkeeper, Augustus C. Wackerhagen.

January 7-9

Midwestern states battered by severe blizzard.

February 14

Congress approves agreement extinguishing the Sisseton-Wahpeton Sioux claims to lands in Dakota Territory.

March 12

L. H. Tenney and Company contract extended for one year.

March 13

Land Committee reactivated; Billings reinstated as chairman.

March 21

Nathaniel P. Jacobs formally accepts appointment as assistant land commissioner for the Pacific district, taking over many of Sprague's duties; arrives June 14.

April-May

Several groups of Yeovil colonists arrive at Hawley, Minnesota, following a small advance party that arrived in mid-March. Leaders of Furness Colony select lands at Wadena, Minnesota, and colonists begin arriving from England shortly thereafter.

April 1

Land Department opens immigration office near U.S. immigrant receiving station in New York City to receive newly arrived settlers bound for N.P. lands.

James Buel Power takes over management of the Minnesota district from George B. Wright.

May

International Exposition opens in Vienna, Austria; continues until end of September, 1873.

May 13

U.S. Secretary of the Interior rules against N.P. in its dispute with the St. Paul and Pacific Railroad Company over title to lands near Glyndon.

John C. Ainsworth appointed managing director for N.P. affairs on the Pacific coast.

May 31

Russian Mennonite delegation arrives for inspection tour of N.P. lands in Minnesota and Dakota.

June 3

Eastern portion of the road completed to Bismarck (formerly Edwinton), Dakota Territory.

June 25

N.P. reaches agreement with the St. Paul and Pacific concerning land grant dispute.

June 30

Sheppard arrives in New York to meet with the directors; remains until July 19. European operations to be scaled down significantly.

1873 (cont.)

July-August

Negotiations underway with representatives of proposed Russian Mennonite colony.

Negotiations underway with promoters of Dutch colony in Becker County; negotiations continue into November.

July 10

Tacoma selected as N.P. West Coast terminus.

July 19

Directors appointed for newly created Tacoma Land Company to develop townsite at Tacoma.

September 18

Jay Cooke & Co. suspends operations, precipitating panic of 1873.

September-October

Economic panic sweeps both U.S. and Europe. Construction of the line halted. N.P. European operations cease. Domestic operations of Land Department reduced drastically; most office and field personnel dismissed.

December 1

Minnesota district office moved from St. Paul to Brainerd to reduce expenses.

December 8

L. H. Tenney and Company contract terminated.

1874

January 1

N.P. defaults on interest payments due on first mortgage bonds.

January 2

Jacobs leaves Pacific district office.

January 7

Board of directors authorizes distribution of land warrant bonds in lieu of interest on first mortgage bonds.

February 12

Hibbard appointed to replace Jacobs as assistant land commissioner for Pacific district; arrives April 10.

Spring-summer

Land sales increase dramatically. Most purchases made with bonds rather than cash.

April 6

N.P. arranges a settlement of its outstanding accounts with the now bankrupt Jay Cooke & Co.

April 21

N.P. and Lake Superior and Mississippi Railroad Company agree on termination of lease arrangement.

May

Additional Furness colonists arrive in Minnesota from England.

May 27

John Edgar Thomson, trustee, dies; William B. Ogden appointed to replace him.

1874 (cont.)

June 1

N.P. surrenders its St. Paul and Pacific First Division stock.

June 22

Congress passes "An act for the relief of settlers on railroad lands."

August 8

Cass authorized to dispose of N.P.'s remaining St. Paul and Pacific stock.

October

Decision made to move Pacific district office to Tacoma; move made ca. March, 1875.

December 21

Wackerhagen dismissed as chief clerk of the New York office, effective January 1, 1875; later replaced by J. H. Johnson.

1875

January

Rich coal deposits discovered on N.P. lands in Washington Territory.

March 18

N.P. bondholders appoint a committee to investigate and report on the financial status of the company. Committee recommends receivership shortly thereafter.

April 16

Company ordered into receivership. Cass appointed receiver; resigns as president on April 22.

April 17

Board of directors approves final settlement with Jay Cooke & Co.

April 23

Charles Barstow Wright elected president; serves until May 24, 1879.

Charlemagne Tower appointed trustee, replacing Ogden who resigned April 13.

May 20

Billings' plan for the reorganization of N.P. presented to the U.S. Circuit Court for the Southern District of New York.

June 30

Reorganization plan presented to the bondholders.

Purchasing committee appointed to purchase the reorganized company.

August 12

N.P. purchased by Johnston Livingston, chairman of the purchasing committee, on behalf of the bondholders.

September 29-30

N.P. reorganized. New board of directors and officers elected; Wright remains as president.

October 1

Sprague appointed general superintendent and assistant land commissioner for the Pacific district. Hibbard dismissed.

1875 (cont.)

October 20

New Land Committee appointed; John M. Hutchinson succeeds Billings as chairman.

1876

Large blocks of land in the Red River Valley and Dakota Territory purchased by several N.P. directors and others. First "bonanza farms" appear.

1877 - 1879

Road construction resumes.

1883

August 23

N.P.'s rail line linking the Great Lakes and the Pacific Ocean completed.

[1889?]

[December?]

George W. Board becomes N.P. secretary. Serves until 1893.

1893

August 15

N.P. once again ordered into receivership.

1896

April 27

Second reorganization effected by a committee of bondholders.

August 31

Reorganized firm officially established as the Northern Pacific Railway Company, under the management of J. P. Morgan & Company.

## DESCRIPTION OF THE RECORDS

The Unregistered Letters Received and Related Records consist largely of letters and telegrams to officers and officials of the company (especially the president but also the vice-president, the secretary, and the general counsel), Jay Cooke and officials of Jay Cooke & Co., and others. Most of them are from officers and employees of the railroad; others are from Jay Cooke and his associates and from officers of other companies doing business with the Northern Pacific. Related materials consist of legal documents (contracts, court decisions, leases, mortgages); financial records (monthly and annual statements, payroll lists, bills, receipts, bank drafts); memoranda and rough notes for board and executive committee meetings; maps; mechanical drawings; and printed items (circulars, pamphlets, newspaper clippings). Also included in this series are some personal letters to secretary Samuel Wilkeson. Most of Wilkeson's correspondence, however, deals with company business and with Jay Cooke in particular.

The following description of the collection is arranged by chronological periods. The editor's notes filmed on roll 36 of this microfilm edition, which contain information on subjects documented in the records and lists of significant authors, are organized by roll number.

### Undated

The undated material contains only a few letters. It consists mainly of promotional, technical, and financial items of a general nature that are difficult to date: reports and memos, circulars and publications, financial statements and statistics, maps and blueprints, packing lists for locomotives, machinery information, specifications for construction contracts, blank forms, and miscellaneous items.

### 1864 - January 5, 1866: The Perham Years

Josiah Perham was elected the first president of the railroad in December, 1864, and served until January 5, 1866. The Secretary's Unregistered series contains very little documentation for this period other than resolutions of the directors and stockholders concerning the powers and



duties of the president, the organization of the company, and the disposition of stocks and bonds; a few letters of recommendation for people seeking employment with the new company; and a notice of President Lincoln's acceptance of the Northern Pacific charter.

#### January 5, 1866 - 1868: The Presidency of J. Gregory Smith - The Early Years

This period covers the presidency of J. Gregory Smith before Jay Cooke became involved with the Northern Pacific, and the manuscripts reflect the actual beginning of organization for construction under the new leadership. During 1866 most of the letters received are addressed to secretary Hamilton A. Hill. Many of these are from William S. Rowland, a special commissioner sent to Washington, D.C., by the railroad to petition Congress for a land grant and other aid. The letters detail his lobbying efforts in Washington, his chronic shortage of funds, his demands for back pay, and other problems with the Washington office established by the company. There are also various financial reports, including claims made against the railroad by Josiah Perham for salary and investments. Requests for jobs, often accompanied by recommendations, begin to appear in greater numbers in the records. By early 1867 most of the incoming letters are addressed directly to President Smith rather than to the secretary. There is a large group of papers, dated December 16, 1868 - January 6, 1888 but compiled at some later date, of contracts, letters, and depositions concerning the distribution of the original twelve shares of interest in the Northern Pacific Railroad Company. From the paucity of the surviving records here and in other files, it appears that very little business was conducted in 1868. For the entire period there is information on the elections and resignations of company officers and the promotion of the proposed routes, as well as financial statements and resolutions and bills of the United States Senate.

#### 1869: Negotiations with Jay Cooke & Co.

In 1869 Jay Cooke agreed to become financial agent for the Northern Pacific Railroad Company. The records contain a copy of the preliminary agreement of May 20 between Jay Cooke & Co. and the railroad. From

this point on, the documents for this period include numerous reports of expeditions along the proposed route of the railroad, especially the Skagit River expedition and Thomas H. Canfield's trip to San Francisco, Washington Territory, and Montana. There are many reports of various types that were made for Jay Cooke, including those on the status of the company, possible routes for the line, the survey from Lake Superior to the Red River, and the contribution of J. Gregory Smith, as well as a report on the country between St. Cloud, Minnesota, and the Red River by William R. Marshall. A great deal of discussion appears regarding the beginning of construction and the importation of German, Swiss, and Scandinavian laborers. The year ended with anxious preparations for the signing of the final contract between Jay Cooke & Co. and the Northern Pacific.

#### 1870: The Jay Cooke Involvement

The final agreement with Jay Cooke & Co. was signed on January 1, 1870. From this point on Jay Cooke himself took an increasingly active role in running the company. During 1870 construction actually began and most of the items, the quantity of which increases considerably during this year, deal with the concerns of establishing routes for the line, procuring supplies, surveying the route, and actual construction. Many of the incoming letters are written to J. Gregory Smith. The few letters from Smith generally deal with financial matters. As Jay Cooke began to exert his influence over the operations of the railroad, more of the correspondence deals with him. The documentation shows that lobbying efforts continued in Washington for various types of aid, the sale of bonds and stocks was authorized by the board of directors, and public lands along the route were withdrawn from sale. The major topic of discussion is construction of the line: the letting of bids, conditions for construction in Minnesota, the use of Chinese laborers, and general progress. Other topics include building projects in Duluth, Minnesota, and possible conflicts over Indian reservation lands along the proposed route. More concrete proposals to encourage immigration from Scandinavia and Germany appear, including one for an advertising campaign in Europe. By June of 1870 the railroad was ready to purchase its first locomotives, and by the next month there was movement along the completed track. Although a western terminus had

not yet been selected, agents of the company began to buy land in Washington Territory. By September, Cooke was growing concerned with the size of the railroad's drafts on his firm and was upset with the location of the line. There was also general dissatisfaction on the part of Cooke and officers of the company with the pace and quality of construction. Charges of corruption against one of the construction companies appear in the documents. Since construction had to begin on the western end of the line in order to receive land grant lands from the federal government in that region, there is a great deal of material at the end of the year on preparations for the construction of 25 miles of track (the minimum required) in Washington Territory.

#### 1871: Smith and Cooke

The material for 1871 is concerned with many of the same problems of the year before, but with Cooke playing a stronger role. More letters to and from Cooke appear; many of the latter are to Samuel Wilkeson. These letters are basically concerned with Cooke's efforts to sell bonds, to promote the Northern Pacific and above all to encourage immigration and to promote the establishment of colonies of settlers along the line. In July, Cooke met with European financiers in America to try to persuade them to buy bonds. Important developments in this period were the appointment of John S. Loomis as land commissioner in March and the organization of the Land Department in March and April, at which time Land Department correspondence begins to appear in the secretary's records. From this point on there is much information relating to the department's concerns. One of the first problems dealt with was the need to protect timber lands from illegal logging. Other topics of interest are the Northern Pacific's relations with the Lake Superior and Puget Sound Company, improvements to the Duluth harbor, the buying of lands in the Red River Valley and in Washington Territory, and preparations for surveying in Dakota Territory. Indian claims along the line in Dakota Territory are discounted in the letters of this period, but these claims become a major problem for the railroad in the future. As the year draws to a close, the records document the establishment of Brainerd, Minnesota, as the center for the railroad's machine shops, and Loomis's preparations for the expected demand for land.

## January 1 - October 1, 1872: The End of Smith's Presidency

Construction, surveying, and promotion of the railroad continued much the same as in the previous year. One important change, though, was Cooke's increasing disenchantment with President Smith, centering on Smith's lack of attention to the railroad and his fiscal extravagance. There is discussion as early as January of discord among board members and dissatisfaction with Smith. Smith was finally pressured to resign in June, with the resignation to take effect October 1, 1872. Other topics of discussion during this period include the sale of bonds, construction of the track, the winter in Minnesota and its effect on the railroad's equipment and operations, and the procurement and specifications of equipment, including locomotives and tools. There is continual mention of plans to promote immigration, covering such topics as free transportation, reception houses for new arrivals, ready-made houses for settlers, selection of land for the immigrants, and military escorts in Dakota Territory. The problem of Indian claims on lands in Dakota Territory by now had become an ongoing concern, particularly the claim of the Sisseton-Wahpeton bands. In February the Land Department submitted a long and detailed report on its operations to the board of directors. Several other reports concerning the sale of Northern Pacific lands along the route also are present during this period. A number of letters concern the establishment of machine shops and other operations in Kalama, Washington, but the main focus of attention is on Minnesota. The secretary's office now was receiving letters from other railroads and businesses; Jay Cooke and officers of his finance company; individuals connected with the Land Department, especially managing director Frederick Billings, who replaced Loomis as head of the department in March; and officials of the railroad in Minnesota and in Washington Territory. By the end of July, Jay Cooke is voicing concern over the railroad's expenses and asking that they be cut, and expressing his hopes that a new management would improve the situation.

October 1, 1872 - September 18, 1873: The Presidency of George W. Cass and The Failure of Jay Cooke & Co.

The documentation for this period illuminates the administration of George Washington Cass as president, but makes it clear that Jay Cooke played just as strong a role in running the company as he had in the preceding period. Much material reflects the continuing worry over the poor financial condition of the railroad, a condition highlighted in March when the company had difficulty meeting its payroll in Minnesota. Beginning in June, weekly financial statements appear in the records. The letters and reports reflect a high level of activity, despite the chronic shortage of funds. Cooke pushed for continued exploration and construction at least as far as the Yellowstone River. Numerous reports, especially from W. Milnor Roberts, chief engineer, describe the exploration of the Yellowstone and the large military escort it necessitated. The interest in immigration continues to be as strongly documented as before, although the emphasis is now on a group of Mennonites from Russia. Most of the letters on this topic are from Alvred B. Nettleton, agent for the Northern Pacific's trustees. The Sisseton-Wahpeton claim was finally settled, but numerous letters now appear regarding a new dispute, this time with the Dutch bondholders of the St. Paul and Pacific Railroad, of which the Northern Pacific had gained control in 1870. Until this dispute was finally settled in 1876 there are many letters concerning it from George L. Becker, president of the St. Paul and Pacific. Other topics covered include a suit brought by the governor of Wisconsin against the city of Duluth, the problems caused by yet another severe winter in Minnesota, contracts for army transport and shipment of "Indian goods" for the United States Office of Indian Affairs, and various personnel problems in the Minnesota district. There are reports on timber thieves operating on the Pacific coast, while the Northern Pacific is itself accused of cutting timber to which it was not entitled on public lands in Washington Territory. A number of documents refer to the difficulty of locating a western terminus and to the hard feelings among the residents of Olympia when it was not selected; amid allegations of mismanagement, which reappear in the records through 1876, the terminus was finally located at Tacoma. Reports from the Minnesota district by

chief engineer Roberts describe construction in Dakota Territory and the reaching of Bismarck. In the end, the financial drain on the banking house of Jay Cooke & Co. proved too much, and on September 18, 1873, the firm was forced to close.

September 19, 1873 - April 15, 1875: The Aftermath of the Failure of Jay Cooke & Co.

The failure of Jay Cooke & Co. left the railroad in a desperate situation. At first, very little mention of the collapse appears in the records, and little explicit discussion of the shaky financial health of the company is evident, although weekly financial statements from Minnesota are still present. By the end of September, however, the correspondents are mentioning the effect that the Panic of 1873, which followed the fall of Jay Cooke & Co., will have on the Land Department. Cooke, oddly enough, writes letters to Cass that are full of hope about the railroad's prospects. The records make it clear, however, that few others shared his confidence. Many letters appear from worried bondholders, and even Billings, chairman of the Land Committee, writes pessimistically. The company's desperate financial straits are vividly portrayed in the records of this period: locomotive orders were halted, previously delivered engines were returned, the British agent for European immigration was seriously embarrassed by lack of funds, and the immigration office in New York was forced to close. The records also reveal serious problems in the Pacific district. Its operations were plagued by lack of money and personal differences between the officers of the company. Conditions worsened as operations ceased and workers were laid off. Finally, John W. Sprague and Hazard Stevens, two officers of the Pacific district, were indicted on charges of corruption. These indictments were eventually dropped, but the incident generated considerable correspondence. Several other legal problems of the company are also documented. In particular, there are many letters from Becker regarding the Northern Pacific's suit against the St. Paul and Pacific. Despite all these problems, letters still occasionally appear from Jay Cooke offering encouragement and suggestions. The paucity of material for the year 1874, however, reflects how bad conditions really were for the railroad. Claims against the company mounted, there were few funds for operations in Minnesota, and, in fact, all substantive activity seems to have

come to an end. A minimum of documentation shows that a settlement of accounts was reached with Jay Cooke & Co., but numerous economy measures had to be taken in an attempt to keep the company solvent. These steps included a severe reduction of staff in Minnesota, efforts to win government contracts for the transport of "Indian goods" for the United States Office of Indian Affairs, and the selling of all surplus rolling stock.

#### April 16, 1875 - December 31, 1875: Receivership and Reorganization

In order to save the railroad from its many creditors Frederick Billings proposed a plan for the reorganization of the company which came to be called "the Livingston Plan." Under this plan, bankruptcy proceedings were begun on April 16, 1875, and Cass was appointed receiver of the company. The initiation of bankruptcy proceedings effectively blocked creditors from suing the railroad. On June 30, 1875, a "purchasing committee" was appointed by the board of directors to purchase the railroad on behalf of the bondholders, who would pay for the purchase by sending in their bonds to be converted into preferred stock. This would also liquidate the debt to the bondholders, which amounted to some \$30,000,000. The following elements of the reorganization plan are documented in the records:

- April 16: Cass becomes receiver and officers of the railroad take possession of the road for Cass as receiver.
- April 23: Charles B. Wright becomes president with George Stark as his vice-president following the resignation of Cass on April 22. The Land Department inquires about its role under the receivership.
- June 30: The purchasing committee is appointed, headed by Johnston Livingston; thus Billings' plan comes to be known as the "Livingston Plan for Reorganization." Ads regarding the plan and asking bondholders to request a copy are published in major newspapers.
- August 12: The Northern Pacific is sold to the purchasing committee. Bondholders are then sent a "call for bonds" requesting that they send their bonds to the Farmers' Trust and Loan Company of New York in order to receive a receipt for stock. Many respond and also write numerous letters to the Northern Pacific asking for information about this exchange.

September 1: Many replies to a request for proxies to elect a new board of directors begin to arrive at the secretary's office.

September 29: A new board of directors is elected.

While the documents generated by the above actions represent the majority of the material for this period, other topics relating to retrenchment and reorganization are also discussed and reported on: problems on the Pacific coast, efforts to cut expenses, the sale or lease of more rolling stock, and staff layoffs, especially in Minnesota. New officers appear in the records, the most prominent being H. A. Towne, superintendent of machinery, in Minnesota. There was so little staff, in fact, that it appears as if the old departments, especially the Land Department, were no longer operating as separate entities. Officers such as Towne and James B. Power in Minnesota and Sprague in Washington Territory performed all administrative duties, including those of the Land Department, and reported directly to the president. Most of the material from this period not directly related to reorganization consists of reports from these men. Aside from their efforts to economize, some of their concerns are gearing up the Land Department to handle the exchange of stocks and bonds for land, running trains through to Bismarek during the winter, and a terrible bridge disaster at Brainerd that resulted in great financial loss. As staff was reduced, a greater proportion of correspondence ended up in the secretary's files. If viewed out of context, the quantity would give a skewed impression of the company's business in relation to earlier periods. By the close of the year reorganization was effectively completed, and the formative period of the Northern Pacific's history had ended.

### 1876: Rebuilding

In many ways the year 1876 marked the beginning of a new era for the Northern Pacific. The records for this year are included in this microfilm edition mainly to provide continuity with the microfilm edition of the Northern Pacific Land Department Records. By now the Land Department was hardly functioning at all as a separate entity within the company, but Land Department business was still being conducted by the few surviving officers of the company. However, enough staff of the Land



Department survived to make reports to the board of directors and to prepare periodic financial statements. The financial condition of the railroad was still quite delicate, as demonstrated by the continuing efforts to economize and increase revenue by almost any means. For example, the correspondence indicates that attempts were made to reduce the number of free passes given out and to gain important government contracts for the transport of mail, "Indian goods," troops, and military supplies. This last item became of paramount concern after the Battle of the Little Big Horn and the resulting Indian war in Montana. Much of the correspondence from the Minnesota district at this time describes the military situation and the railroad's attempts to profit from it. One of the main concerns was to keep the line to Bismarck open, and there are accounts of running the trains through during the winter of 1875-1876, particularly to provide transport for General Custer. Although there was still a need for much bridge construction and repair, the Red River Valley was already becoming settled, and as a result freight traffic from the farmers was picking up. This activity, plus the increase in land sales and the military contracts, helped ease the company's financial burden. Items from the Pacific district suggest that the major problems there were timber thieves and the need to construct a branch line to the coal fields in Washington. By the end of the year plans were actually being made to begin construction again, and several memoranda regarding cost estimates and supplies needed appear in the records. This renewed activity involved the railroad in another dispute over Indian reservation lands, this time with the Puyallup tribe in Washington Territory.

The year ended on an ambiguous note. The company had been saved, military business was up, and construction had started again, but freight revenue had dropped off, and very severe reductions in personnel and pay again had to be made in Minnesota.

## SELECTED LIST OF AUTHORS

Most of the persons and organizations whose names appear in this highly selective list of authors either are of regional or national significance, or are of importance within the Northern Pacific Railroad Company.

Abbott, Abiel	Garfielde, Selucius
Ainsworth, John Commingers	Goddard, W. N.
Andrews, Christopher Columbus	Gordon, George (Lord Gordon Gordon)
	Gould, Jay
Baird, M. and Co.	Grant, Ulysses Simpson
Banning, William L.	Gray, George
Barney, Ashbel H.	
Becker, George Loomis	Hayes, Rutherford Birchard
Beebe, George E.	Hibbard, George B.
Billings, Frederick	Hill, Hamilton A.
Brackett, George A.	Hobart, C. T.
Burbank, John A.	Hutchinson, John N.
Canfield, Thomas Hawley	Jacobs, Nathaniel P.
Cass, George Washington	Johnson, Edwin F.
Cheney, Benjamin Pierce	Johnston, George Henry
Clark, Frank H.	King, A.
Coffin, Charles Carleton	King, William Smith
Colfax, Schuyler	
Conkling, Edgar	Lamborn, Robert H.
Cooke, Henry David	LeDuc, William Gates
Cooke, Jay	Lee, George P.
Cooke, Jay & Co.	Linsley, D. C.
Cooke, Pitt	Lippman, Rosenthal & Co.
Cox, Jacob Dolson	Livingston, Johnston
Cushing, George W.	Loomis, John S.
Davis, E. Paige	Marshall, William Rainey
Delano, Columbus	Mead, Charles W.
Donnelly, Ignatius	Meigs, Montgomery C.
Drummond, Willis	Mendenhall, William K.
Dudley, James	Moorhead, James K.
	Moorhead, William G.
Fahnestock, Harris Charles	Morford, R. H.
Felton, Samuel Morse	
Finney, Charles G., Jr.	National Bureau of Migration
Fuller, Frank	Nettleton, Alvred Bayard
	New England Military and Naval Bureau of Migration

Ogden, William Butler  
Owen, William H.

Payson, Canda & Co.  
Perham, Josiah  
Potts, Benjamin Franklin  
Potts, Joseph D.  
Power, James Buel  
Pritchard, Albert L.

Ramsey, Alexander  
Randolph, Charles  
Reilly, Edward  
Rice, Edmund  
Rice, Richard D.  
Roberts, William Milnor  
Rosser, Thomas Lafayette  
Rowland, William S.

Sanborn, George G.  
Sargent, George Barnard  
Sears, John V.  
Sears, Stephen W.  
Shattuck, George O.  
Smith, John Gregory  
Smith, Lenox  
Spaulding, Ira  
Sprague, John W.  
Stark, George  
Stevens, Hazard  
Sullivan, John H.  
Swenson, S. M.

Taylor, James Wickes  
Tenney, Luman H.  
Thomson, John Edgar  
Tilton, James  
Tower, Charlemagne  
Towne, H. A.

Usher, John Palmer

Wheat, John R.  
White, Stephen W.  
Wilkeson, Samuel  
Windom, William  
Woodbridge, F. E.  
Wright, Charles Barstow  
Wright, George B.

## ROLL LIST

- Roll 1. Undated; 1864 - 1865.
- Roll 2. 1866 - 1868.
- Roll 3. 1869 - February, 1870.
- Roll 4. March - May, 1870.
- Roll 5. June - July, 1870.
- Roll 6. August - October, 1870.
- Roll 7. November - December, 1870.
- Roll 8. January, 1871.
- Roll 9. February - March, 1871.
- Roll 10. April - May, 1871.
- Roll 11. June - August, 1871.
- Roll 12. September - November, 1871.
- Roll 13. December, 1871 - January, 1872.
- Roll 14. February - March, 1872.
- Roll 15. April - May, 1872.
- Roll 16. June - August, 1872.
- Roll 17. September - December, 1872.
- Roll 18. January - February, 1873.
- Roll 19. March, 1873.
- Roll 20. April - May, 1873.
- Roll 21. June - July, 1873.
- Roll 22. August - October, 1873.
- Roll 23. November, 1873 - February, 1874.
- Roll 24. March - September, 1874.

- Roll 25. October, 1874 - March, 1875.
- Roll 26. April - June, 1875.
- Roll 27. July 1-10, 1875; Livingston Plan Requests, July 9-25, 1875.
- Roll 28. Livingston Plan Requests, July 26 - August 11, 1875;  
July 11-31, 1875.
- Roll 29. August 1-15, 1875.
- Roll 30. August 16 - September 20, 1875.
- Roll 31. September 21 - October, 1875.
- Roll 32. November - December, 1875.
- Roll 33. January - February, 1876.
- Roll 34. March - June, 1876.
- Roll 35. July - November, 1876.
- Roll 36. December, 1876; Editor's Notes.