

JULIA MORGAN  
ARCHITECT  
MERCHANTS EXCHANGE  
SAN FRANCISCO

September 15, 1923.

Mr. William Randolph Hearst,  
137 Riverside Drive,  
New York, New York.

Dear Mr. Hearst:

Mr. Gillespie mentioned last week that you wanted the new posts for the fence to be 8" x 8" as those we used last season were not strong enough -- and incidentally mentioned that he had told you the poorer posts should have been rejected before shipment.

For information regarding the posts I enclose the following data --

When it came to actually making the purchase of the red wood posts or "stakes" the following conditions were discovered -

1. That there was not enough redwood, of any grade, 6"x 6"x 10' in all the lumber yards around the bay combined to fill the order.
2. That for an assured life of probably fifteen years or more it would be necessary to buy "butt cutts", which would cost fifty percent more than merchantable grade, if obtainable, but which could not be secured in sufficient quantity even from the northern mills.
3. That the next best grade was "extra merchantable" which would cost from \$800 to \$1000 more than "merchantable" and deliveries would have to be made periodically from the northern mills.
4. That the merchantable grade could be furnished a small part from stock and the balance from mill shipments, by the Charles Nelson Lumber Company and the Acme Lumber Company. After getting bids from both and looking at both stocks and making special agreements as to grading, it seemed that the Acme Lumber Company would furnish much the better stock.

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A conference was then secured with the General Purchasing Agent and the Assistant General Purchasing Agent of the Southern Pacific Company, the largest users of redwood ties, posts and poles in the country, who spent about an hour discussing all phases of the matter. They unhesitatingly recommended the purchase from the Acme Lumber Company, of the merchantable grade. While this grade is made up of 75% No. 1 and 25% No. 2, it seemed that the replacements after a few years would be more than covered by the saving over the next grade - the "extra merchantable".

Most of the shipments were inspected at the dock, but an agreement was made with the shippers that any found defective on arrival would be replaced. On December 9th, 1922 we received a credit memorandum from the Acme Lumber Company to cover all posts found defective on the cursory inspection possible at the wharf, and the lumber company (our order file #577) forwarded in addition at their expense fifty extra posts to replace those showing defects on stacking at San Simeon. I did not think to tell Mr. Gillespie not to use the rejected posts except in temporary fencing.

Yours very truly,

JM-deM