

February 22nd., 1902.

Mr. George W. Perkins,
#23 Wall Street,
New York City.

My Dear Mr. Perkins:-

I have read the address of our friend, Senator Beveridge, with a great deal of interest. It contains perfectly sound and practical advice, and is expressed in language that has a strong flavor of Carlyle. I do not know when I have read anything that is better or more to the point. What this country wants is conservative forethought. The people are ingenious enough and at all times willing to extend or expand, or follow in any direction which promises large returns for small effort. This, as you know, is almost always attended with disappointment. The great natural wealth of the country affords endless opportunity, but the one thing needful at all times, to keep the country in line, is the example afforded by the life of Washington, and men who, like him, lived the life of their own idea. I have often thought that this country some day would suffer severely from the influence inserted by the conditions of the French Revolution on the mind of Jefferson. The degree of civilization of all countries is fairly marked by the degree of safety for persons and property.

Since returning from New York I have been very busy. I have been several days in court and have just about finished. My testimony will be closed on Monday.

I have been bothered more or less with a cold but am gradually shaking it off.

I expect to go to Washington and spend a couple of days on the Interstate Commerce matter before going to New York, but, in view of the proposed action of the Attorney General, in regard to Northern Securities Company, I may go to New York first.

I have a plan in mind, which would, I think, cover the entire case and remove all question that might ever be raised under the Anti-Trust Act: at the same time, it will not, in any material way, interfere with our present program, name or issue of stock. Briefly, it would be to amend our articles of incorporation so as to provide that where the Company owns a majority of the shares of parallel and competing lines, it would vote the shares of but one such Company. I do not think, in view of all the facts relating to the organization of the Securities Company, or what has been done thereunder, that the courts could find the slightest reason for basing an adverse decision on what has been done.

I have learned through a "grape vine" telegram, and this was confirmed in my examination in Minneapolis, that an effort will

be made to show that an agreement regarding the relations between the Union, Southern Pacific and the Northern Lines, their traffic, and, in fact, everything equivalent to a pool, was agreed upon as a consideration of Mr. Morgan's being allowed to name the Northern Pacific Directors. I testified that the financial conditions in New York, and in the financial centres of Europe, were so severely strained, that a meeting was held to see what might be done to relieve the situation, and the Kuhn-Loeb party, represented by Schiff and Harriman, agreed that Mr. Morgan should be allowed to vote the stock represented by them for such parties as he saw fit, and that Mr. Bacon stipulated that there should be no restriction placed upon Mr. Morgan's choice. That is my clear recollection and I believe it will agree with the recollections of the others.

In view of what has occurred since, it was a mistake to have named any of the Union Pacific people for Directors of either the Burlington or the Northern Pacific, and, even now, they should at once take steps to get off the Board. I know, and I think you will agree with me, that too much stress has been laid by some of these interests upon seeing their names in the respective books, and I think practically any serious trouble may be traced to that source.

The Minnesota Legislature, called for the purpose of considering report of a special commission to frame a tax law and

amendments to the State Constitution relating thereto, is falling very flat. I think the old law will be retained by two-thirds majority. There will be an effort, more or less persistent, to provide for a tonnage tax on iron ore. The State Auditor, who has considerable strength in the State, opposes this, and I fully expect steps will be taken to see that no such law is put upon the statute books of the State. An amendment to the Constitution will be necessary to authorize such a law.

The general business outlook of the Northwest is first rate in every respect. Earnings are greatly in excess of former years and the number of new settlers going into the Northwest is larger than I have ever known before. Practically all the government land, susceptible of agricultural settlement, is occupied, and farmers from Iowa, Illinois, Michigan and other States, are buying improved farms in great numbers. The scarcity of good agricultural land in the Northwest, and, in fact, in the United States, is beginning to call attention to the very low price of farm lands in Manitoba, and I would not be surprised to see a great many Americans go into that country. The Canadian Pacific Railway and the Canadian Government, have agencies throughout the Northwest, working for this class of settlers. There are four such offices in St. Paul and Minneapolis.

With kind regards to Mr. Morgan and Mr. Steele, I am,

Yours very truly,