

Personal:

New York, 9th. May, 1896.

JAMES J. HILL, ESQ.,

St. Paul, Minnesota.

Dear Mr. Hill:-

Believing that you would learn through your own lines of communication what progress was made from day to day by our legal party I did not attempt to inform you of the decrees granted after we returned from Milwaukee. I have promptly informed you of concluded negotiations with the holders of Branch Line Bonds.

There are other negotiations pending, but not advanced, except in the case of the Spokane and Palouse, as to which definite action may be expected next week. The Duluth and Manitoba Committee demanded par in cash for their bonds. This we have declined. As the date for the sale of the Northern Pacific approaches, such bondholders must prepare to take charge of their own properties, or to modify their terms for their sale to us.

The Central Washington and Seattle, Lake Shore and Eastern bondholders either do not know how poor their properties are or think we do not. We will probably be obliged to leave them out of the reorganization until they realize what they have and what they require.

We are making most satisfactory progress in getting the securities under the Plan. There are about \$17,000,000. of the



*and promised*  
Firsts converted, and important deposits daily. May 13th. has been named abroad as the last day for conversion there upon present terms. We have about 95% of the Preferred Stock and about 90% of the Common Stock on deposit. Practically all of the other securities have been deposited. There are \$16,271,000. Preferred and about \$12,000,000. Firsts deposited abroad; a much larger amount than we had anticipated. This means a wide market for the new securities, when we consider the large amounts of Seconds, Thirds and Consols also held there.

We are interested in the press reports regarding anthracite coal in Minnesota, and the probable purchasers of the Duluth and Winnipeg Line under foreclosure sale.

The pressure for new construction on the Northern Pacific has increased since I talked with you and has now come forward with requests for definite action. I wish that I could talk with you about this at an early day, particularly as to the lines projected in Minnesota and North Dakota.

It seems that during the past four or five years all requisitions for extensions have been "turned down" for lack of funds, and now that new capital appears available, the operating department has revised its former estimates and now claims the immediate attention of the Reorganization Managers to plans, figures and arguments, in favour of new construction, that are certainly forcible in all instances, if not conclusive in some cases with which we are not sufficiently familiar.

I have requested that no steps be taken in either Minnesota or Dakota until we confer with you, because we are determined that



no new construction shall be undertaken, in what may be termed joint territory, without your first having knowledge of our intentions, hoping by this method to secure the same consideration from you, and to thus ensure amicable relations and the prevention of unnecessary expenditures in competitive construction, as in the past.

If you are contemplating any new construction in these districts I hope you will defer any action until we can confer upon the subject. Our people press for a definite general policy, and for authority to commence on some extensions at once. They seem troubled about "Farmer Hines" and one or two other movements of this character, but of less progress, and desire to anticipate their further development. I have been expecting to shortly make a deliberate examination of the Northern Pacific property, leaving here some time in June, so that unless you contemplate being in New York before then, we can arrange for a full conference upon this and other subjects of similar mutual interest when I reach St. Paul.

The press announcements of a \$45,000,000. cash syndicate has brought numerous parties here from the Northwest who desire a portion of that fund for "important developments for the benefit of the Northern Pacific", in general, I fancy, and for themselves in particular.

Trusting that you are quite well, I am,

Sincerely yours,

Edward D. Adams