

27 & 29 Pine Street,

KUHN, LOEB & CO.

New York May 22d 1896.

Personal.

My dear Mr. Hill:-

In a recent conversation, E. D. Adams has said to me that the Northern Pacific interests required a more direct outlet for their Manitoba lines, and were, for this reason, anxious to get an interest in the purchase of the Duluth & Winnipeg road in case you secured it. I replied to him, that, as far as I could judge, it was hardly fair to ask, nor did I think you would consent, to give the Northern Pacific a proprietary interest in a line which it was intended to acquire for the carrying of the Great Northern's entire transcontinental traffic going to and coming from the Lakes, but if they needed such an outlet as he claimed for Manitoba business, I thought you would possibly consent to give them trackage on reasonable terms. Mr. Adams had nothing positive to reply to this, but said that if such an arrangement could be made it might possibly prove satisfactory.

Meantime I learn confidentially from Canadian Pacific quarters, that little intention exists on the part of Sir William VanHorne to actually sell you the D. & W. line. He likewise expects that you will permit him to finish the D. & W., and then take trackage rights from him, which is too ridiculous on his part to <sup>really</sup> expect, for I can well see that we can little afford to carry

J.J.H.

5-22-96.

practically our entire transcontinental traffic, for two hundred miles across somebody else's road.

Mr. Adams also, in the course of conversation, said, that, according to his information, the Burlington & Quincy interests were very restive in not having been able as yet to find an outlet to the Pacific Coast. He gave it as his opinion, that sooner or later the Burlington & Quincy interests might make an endeavor to reach the Oregon Short Line and control it together with the Oregon Navigation Co., adding that he, Adams, considered it the part of prudence for the Great Northern and Northern Pacific interests to consider ways and means through which the Oregon Navigation Co. could permanently be controlled. He thought this could only be accomplished through a control of the Oregon Short Line Stock, the majority of which is now held in the Union Pacific Collateral Trust, and which, in turn, will sooner or later control the Navigation Co.

I talked these matters over with Mr. Sam. Hill yesterday, and he suggested that, in any event, I report to you what Mr. Adams has had to say.

There is little new here, everything being practically at a standstill. The Northern Pacific reorganization is making rapid progress, and I actually believe that before long they will have the bulk of the First Mortgage bonds converted. It is likely that they will have a majority of the First Mortgage bonds next

J J.H.

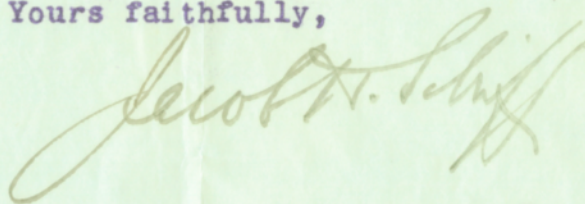
5-22-96.

week, and will then give only thirty days more to First Mortgage bondholders to convert on present terms. Such a notice is likely to bring in the bulk of the outstanding First Mortgage bonds.

I trust you continue to find Morti attentive to his work, and I hope you will give him every opportunity during the short time he will yet remain with you, to get additional experience. I feel satisfied Morti will be grateful to you all his life for the interest you are now taking in him, and which I am quite certain will be most beneficial to him for all time to come.

I am pleased to be assured by Mr. Sam. Hill, that you are personally now in excellent health, and that this is likewise the case with Mrs. Hill and the entire family. To all of them my kindly greetings, and, with assurances of friendship, believe me,

Yours faithfully,



James J. Hill Esq.,

St. Paul, Minn.