

KUHN, LOEB & CO.

27 & 29 Pine Street,

New York Feb. 9th 1897.

Dear Mr. Hill:-

I was under the impression, you would touch here again on your way from Washington home and I am somewhat disappointed, that I shall not have an opportunity of seeing you again before we go on our short journey to Europe next Tuesday, the 16th inst. I do hope, however, you will likewise take a short holiday during March and that we shall meet in London the last week of next month. This may prove of advantage in more than one respect.

I have my hands rather full getting everything settled up, so that I shall feel that I can go away with an easy mind. To-day I had a lengthy meeting with Mr. Coster and Mr. Adams to finally settle about the Oregon Railroad & Navigation Preferred Stock recently purchased

by the Northern Pacific and K. L. & Co. We now hold together about 38,000 shares and it is proposed, that we buy slowly, and as long as we can do so around present quotations, 15,000 to 17,000 shares additional, in order to give us a clear majority, meantime, however, doing and saying nothing to dispel the impression now prevailing, that we already hold the actual control.

Mr. Coster thought it would be best, that the Northern Pacific, the Great Northern, the Union Pacific and the Oregon Short Line should each own and hold one-fourth of the stock acquired and to be acquired. In view, however, of the efforts, which it is reported have recently been made in Boston to pool the holdings of Oregon Short Line Stock in the interest of the Chicago, Burlington & Quincy Co. (without much avail) I suggested it might be dangerous to admit the Oregon Short Line, for the present at least, into an ownership of the O. R. & N. Co. This

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view was, upon discussion, adopted by both of the other gentlemen, and we thereupon concluded, that all interests would be best served, if the Northern Pacific retained one-quarter of the purchase already made and received a like proportion in further acquisitions of stock; that K. L. & Co. cede to the Great Northern Co. a like one-fourth in present holdings and future purchases, and that the other one-half remain for the present as an undivided interest, in the ownership of J. P. Morgan & Co. and Kuhn, Loeb & Co., to be sold at their own discretion later on to the Union Pacific, and the Oregon Short Line, either or both, provided the purpose of the purchase can thereby become accomplished, viz:

- 1) The securing of the permanent independence of the Oregon Railroad & Navigation Co.
- 2) The election of a management, which shall

be pledged to the maintenance of rates, traffic at all times to be directed by shortest routes.

If this arrangement has your approval, we shall arrange to transfer to the Great Northern Co., and if you desire carry for it until further one-fourth of the Oregon Railroad & Navigation Stock already purchased, at cost (45%) plus one dollar a share commission (which I am sure you will find reasonable in view of what has been done by K. L. & Co.), and shall likewise transfer to the Great Northern Co. one-fourth of any additional stock bought in the endeavor to secure an actual majority.

Will you be good enough to advise me by wire (so that I can give the necessary instructions prior to my departure) whether I shall carry this into effect as above, and in such case kindly have the necessary resolutions passed by the Executive Committee to ratify what has been done, and cause copies to be

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sent through Mr. Nichols to K. L. & Co.

I believe a good thing has been done for the transcontinental situation, and I trust you are pleased with it.

Mr. J. visited me yesterday to tell me, he had called on you & that you had promised to sit for him about the 25th inst. which I sincerely hope you will do. I am most desirous of being permitted to obtain this etching and to thus secure for myself and your more intimate friends a permanent souvenir of one whose earnestness of purpose and steadfastness as a friend, we all value so highly. He re-visits, then, in London, please God, next month with friendly greetings to him. With & all your kindest regards

I am, Sir, sincerely
 Yours, J. W. Schiff

To
 J. L. Hill Esq.