Northern Pacific Railway Company.

OFFICE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS.

February 17th, 1897.

35 WALL STREET, NEW YORK.

JAMES J.HILL, ESQ.,

St. Paul, Minn.

My dear Mr. HILL:

Herewith I send you a copy of a letter that I have this day sent to President E.McNEILL of the Oregon Railmord & Navigation Company.

My object in this is to prevent any misconception as to our purposes, which but for some such direct communications both by you and I, might prevail, as there are adverse interests that do not appear to be in sympathy with our action because of its bearing upon their personal position and purposes, although they certainly cannot disagree with the principles that have guided us in our action, nor with the purposes of our agreement in connection therewith.

Should you shortly visit the Pacific coast, I suggest you improve an opportunity either then, or prior thereto, to communicate with President McNEILL upon the subject.

Sincerely yours. Adams.

NORTHERN PACIFIC RAILWAY COMPANY.

NEW YORK, February 16th, 1897.

E.McNEILL, ESQ., President,

Oregon Railroad & Navigation Company,

Portland, Oregon.

Dear Sir:

As various reports will undoubtedly reach you of this Company's recent purchase of a large amount of the Preferred Stock of the Oregon Railroad & Navigation Company, 4th will, no doubt, interest you to know officially for what purpose this purchase has been made.

As the purpose of purchase and the agreement for its permanent holding and use is in accord with your own views as to the true policy to be observed in the management of the Oregon Railroad & Navigation Company, namely, the maintenance of its independence, with equal and fair rates toward all connecting Companies, I have some satisfaction in informing you of this.

I have been, and am in full sympathy with your ideas upon this subject and think you should have a sense of satisfaction in finding the same adopted and plans made by your neighborly interests, to ensure your policy being thus strictly adhered to and regularly carried out.

The purposes and objects of this purchase may be briefly stated as follows:

1. To promote the transmission of traffic from the line of the Oregen Railroad & Navigation Company, by its natural course over the shortest routes;

- 2. to avoid the unnatural diversion of traffic coming from the line of the Oregon Railroad & Navigation Company, either by cutting rates or by other devices, direct or indirect;
- Railroad & Navigation Company the opportunity for such use upon lawful, fair, reasonable and Stable berms and rates, which without evasion or private arrangement or other device, shall be observed and maintained by all the parties hereto and by all parties making use of such road, as such rates shall be lawfully established and
- 4. likewise to prevent the Oregon Railroad & Navigation Company directly or indirectly from cutting rates, or from adopting any other unlawful device to obtain traffic originating at, and destined to, any point or territory common to it and to the parties hereto.

You are at liberty to communicate the above to your Associate Directors on the Pacific coast for their information and guidance.

Yours very truly,

Edward D. Adams.