

MEMORANDUM OF A CONFERENCE held in London on the 2nd
of April 1896 BETWEEN

MR J. PIERPOINT MORGAN representing his own interests and
those of his Firm MESSRS J.P. MORGAN & CO, New York

LORD MOUNT STEPHEN and MR JAMES J. HILL on their own behalf
and representing the interest of the Great Northern Railway
Company and its Stockholders.

MR ARTHUR GWINNER representing the interests of the Deutsche
Bank, Berlin whereof he is one of the Directors.

I.

The so-called London Agreement having been found impracti-
cable ^{has been abrogated and} it has been decided that the Northern Pacific Railroad
Company shall be reorganised independently of the Great Northern
Railway or any other Company or interest. Mr Hill and Lord
Mount Stephen will do all in their power to further this object;
Mr Hill will discourage any Northern Pacific Branch Line Bond-
holders who might approach him with a desire to create a com-
petition, thereby forcing the Northern Pacific to allow higher
prices or better conditions to these branch roads.

II.

The Great Northern Railway Company and the reorganised
Northern Pacific Railroad Company shall form a permanent alliance
defensive, and in case of need offensive, with a view of avoid-
ing competition and aggressive policy and of generally protect-
ing the common interests of both Companies.

The four parties hereto subscribing promise to use their best endeavours towards the loyal fulfilment of this purpose of friendly and harmonious working of the two systems, with assistance of good faith on the part of the operating officials in maintaining rules and rates fixed by the respective superior officials and Boards of Directors.

III.

All competitive business, such as for instance the transports for account of the Anaconda Copper Company, shall be divided on equitable terms between both Companies. Tariffs Wars and rate-cutting shall be absolutely avoided. Neither Party shall in future ingress into the other's territory by new construction or purchase or acquiring of control of existing lines.

IV.

The Parties hereto subscribing agree to procure, as far as may be in their power, to maintain the Oregon Railway and Navigation Company and its reorganised successor Company as an independent Corporation keeping good and equitable relations with the Great Northern, Northern Pacific and other neighbouring Companies. The object of the Great Northern and Northern Pacific Companies shall be simply to prevent others securing control of the O. R. & N. Co., and to maintain rates on and by the same, permitting the Union Pacific, Quincy or any other Company to use the O.R. & N. Company lines upon fair and equal terms.

Mr J.P. Morgan and Mr Gwinner will arrange to offer to Lord Mount Stephen and Mr Hill jointly to purchase such Common Stock and Preferred Stock of the Reorganised Northern Pacific Company as may become the property of the Northern Pacific Syndicate and may be available for sale, pursuant to the provision of Article 13 of the Syndicate Agreement. Such Stock shall be offered before distribution to Syndicate Members or being otherwise disposed of to Lord Mount Stephen and Mr Hill jointly, but only upon terms which shall be at least as beneficial to the Syndicate as any terms at the time offered by any other party.

VI.

Lord Mount Stephen and Mr Hill hereby jointly instruct Messrs J.P. Morgan and Company and the Deutsche Bank to purchase for their account, *N.P. securities to a total maximum cost of three million dollars.*

\$ — Northern Pacific Consolidated Mortgage Bonds

at not exceeding \$ 55 per cent

\$ — Northern Pacific Railroad Preferred Stock

at not exceeding \$ 15 per cent.

\$ — Northern Pacific Railroad Common Stock

at not exceeding \$ 5 per cent.

This order shall be *in force until cancelled in writing* ~~void as far as not executed until~~

Messrs J.P. Morgan & Company and The Deutsche Bank promise to use their best endeavours towards the most favourable execution of these purchases which are entrusted as far as the Consols

are concerned to the Deutsche Bank, Berlin, and as far as the Stock is concerned to Messrs. Morgan.

Messrs. Morgan shall give ^{daily} ~~daily~~ advice to Mr Hill and the Deutsche Bank shall give ^{daily} ~~daily~~ advice for account of Lord Mount Stephen ^{and Mr Hill J. P. Morgan & Co New York} to Messrs ^{H. S. Lefebvre & Co., London} ~~H. S. Lefebvre & Co., London~~, of all purchases made and the Bankers shall debit the respective accounts with the cost of such purchases together with all brokerage and outlay for expenses, plus a commission of ^{half} per cent on the nominal amount of the securities purchased. Mr Hill and Lord Mount Stephen unless otherwise to be agreed upon, will for the securities thus bought, pay one week after the same shall be placed at their disposal respectively.

The Deutsche Bank will return to Messrs Morgan two-thirds of the commission it receives and Messrs Morgan will return to the Deutsche Bank one-third of their commission.

VII.

Messrs J. P. Morgan & Company and the Deutsche Bank will purchase for their own respective accounts and at their discretion Northern Pacific Consols, old Preferred or old Common Stock to the aggregate outlay of dollars five hundred thousand each ^{party.} ^{when Messrs Morgan or the Deutsche Bank shall desire to sell or otherwise dispose of the securities thus acquired} Until the time ^{Mr Hill and Lord Mount Stephen shall} have the option jointly to purchase from Messrs Morgan and the Deutsche Bank respectively ^{these} the Bonds and Stocks ~~thus acquired~~ and this at an advance of ten dollars per cent on the nominal amounts of the Bonds and Stock respectively. Until this option is made use of or shall have lapsed Lord Mount Stephen and Mr

Hill shall have the right of vote on the securities purchased by Messrs Morgan and the Deutsche Bank for their own accounts.

VIII.

During the five years following the termination of the voting trust provided for in the plan of reorganisation of the Northern Pacific Railway Co. of 16th March 1896, Messrs J.P. Morgan & Co. and the Deutsche Bank agree to exercise their respective vote or any proxies they may control, in favour of so many candidates to the Board of Directors of the Reorganised N.P. Co., as shall be proposed to them by Lord Mount Stephen and Mr Hill jointly and be proportionate to the holding of Northern Pacific Stock by the Great Northern Parties as shewn from time to time, provided always that in the judgment of both Messrs Morgan and of the Deutsche Bank the Great Northern Company and Parties shall continue to use their best endeavours towards the permanent prosperity of the Reorganised Northern Pacific Company.

During the same term and in the same manner Lord Mount Stephen and Mr Hill will exercise their respective vote or any proxies they may control of Stock of the Reorganised Northern Pacific Company in favour of such candidates to its Board of Directors as may be proposed to them by Messrs J.P. Morgan & Co. and the Deutsche Bank jointly and of a number of candidates proportionate to the holding of Northern Pacific Stock represented by Messrs Morgan and the Deutsche Bank from time to time.

[April 2, 1896]

THIS MEMORANDUM OF AGREEMENT
has been executed and signed in four copies and delivered to
the Parties hereto respectively who mutually bind themselves
to its loyal execution in good faith and agree not to make known
any part of it without the express consent of all the four
Parties.

Wm. J. Hill

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Wm. J. Hill

Wm. J. Hill

James J. Hill Papers
Minnesota Historical Society