

N.Pac. - Reorganization card 2 July 4, 1895

unqualifiedly claiming that the obstacle was not a serious one, Mr Adams without further discussion or explanation proposed I should join him in a cable to London and Berlin that the London agreement could be carried out and proposing an operation Company and at once suggested the plan of issuing Gt Northern shares for \$50,000,000 common, one half to our shareholder and the other half to his bondholders or his committee in exchange for the whole of Northern Pacific. You will here notice that the legal difficulty complained of being that the state of Minnesota forbade the holding of shares in any company by another company having a competing line which himself and his counsel said the

Gt Northern would not legally hold, I do not think you need further effort to show just what was his motive. I at once said that we would not abandon the London agreement or admit that it could not be carried out and suggested the consideration of using the Eastern of Minn as the Company to hold the stock which the Gt Northern would guarantee, and that our counsel would meet theirs to provide the plans to avoid any legal attack &c." They did so meet, with statement as result. "It was evident to our people that the effort was to force a third or proprietary Company." Adams asked me to meet him in Morgans office & I said our counsel (Thatcher & Simpson saw no serious obstacle in carrying out London agreement. Mr Adams seemed very nervous and wanted me to reaffirm our London agreement. He said

N.Pac.-Reorganization card 3

July 4, 1895

nothing to me about his publishing a statement but on return to my office I found his public statement in print that we had not the power without additional legislation &c which if true would do more to prevent the passing of any further legislation than anything which could be said or done. I at once wrote him enclosed letter & made public a goog[?] denial of Adams statement & at once called on Morgan & Co & asked them what it meant. They agreed with me. I told them to see that Mr Adams made no more unauthorized statements." More re details of Adams' attitude and rumors of absorption of Great Nor. etc.

New York Letterpress loose copies box, 1892-1898