

Stephen, George

May 23, 1896 [1897]

Hill to Lord Mount Stephen

A six-page letter re Northern Pacific difficulties, especially Winter's presidency & the way Coster & J.P. Morgan (now in London) are mismanaging "our property." Coster is not acting in good faith. Re purchase of our shares of stock in Feby. Wants Lamont in place of Winter. Recent anti-trust decisions by U.S. Supreme Court thru Atty.Gen. Harmon, who holds most strongly the opinion that all of Morgan & Co.'s voting trusts are illegal and void. "When Mr. Morgan made the memo of April 1896 in London & we paid him three million dollars, he knew we were the probable heirs to the Nor. Pac. property. He was to buy stock for our a/c & the Deutsche Bank was to buy

certain bonds. Both the stock & bonds were furnished largely by Morgan & Co. from their own holdings purchased in carrying on the reorganization. They bought from themselves & fixed the price. Coster said at 45¢ for preferred stock of 10¢ above the market. "I was told by one who certainly knows the Messrs Morgan & Co. never bought a dollar of Northern Pacific securities under that agreement."

JJH LetterBook, 10/11/95 - 3/13/99, p. 180, in tipped