

NEWS OF THE RAILROADS

Terms of St. Paul and Union Pacific Traffic Alliance.

Former System Secures Through Freight and Passenger Train Serv- ice to the Pacific Coast.

The terms of the traffic alliance between the Chicago, Milwaukee and St. Paul and the Union Pacific became known yesterday.

The contract, which has already gone into effect, is for an indefinite time. It stipulates that the St. Paul shall have all rights and privileges on the Union Pacific lines that are enjoyed by any other railroad. This includes both the Central Pacific and the Oregon Short Line, reaching San Francisco and North Pacific Coast points. The St. Paul secures what it has been trying to get for several years, namely, right of way over the Union Pacific system and thereby through freight and passenger trains to the Pacific Coast. In return the St. Paul agrees that all business through Kansas City and Omaha initiated by it shall go over the Union Pacific line.

It is believed that the traffic of both lines will be increased by this arrangement. The permanency of the contract is made dependent in its proving satisfactory to both parties. It may be terminated at any time on reasonable notice.

It is also stated authoritatively that there is no truth whatever in the report that this agreement is designed as a slap at the Missouri Pacific. The relations between that road and the Union Pacific and St. Paul continue harmonious, in fact Mr. Gould gave his entire approval to the new traffic agreement, or trackage agreement as railroad men call it, although by its consummation the proposed agreement with the Missouri Pacific has become unnecessary.

GREAT NORTHERN'S BUSINESS.

President Hill in Annual Report Dwells on Prosperity of Territory Trav- ersed by the Road.

In the annual report of the Great Northern, the income account of which was published some weeks ago, President J. J. Hill, speaking of the general conditions in the territory traversed by the road, says that the increase of \$5,785,363 in freight earnings was due to the larger haul in wheat and iron ore, the increase of the latter being 1,458,179 gross tons. The increase in freight traffic outside of these items was 1,070,762 tons. This increase was in general business and over the entire system, except on the Montana Central, where there was a falling off, on account of the suspension of the mining and manufacturing of copper in Montana for nearly four months.

The rapid settlement and development of the country through which the system runs has caused a large increase in shipments of merchandise and supplies required by the smaller towns. There has been a greater increase in the volume of the higher class freight than in the lower classes.

The earnings of passenger trains increased \$1,869,091. A heavy movement of people to the Northwest in the last few years, which still continues without abatement, has resulted in a settlement of a vast area of vacant lands adjacent to the company's line. During this period more than 5,000,000 acres of Government land in the northern part of North Dakota has been taken under the Homestead act. Many of the large farms in this State are being cut up into smaller ones. Immigration into the Western and Pacific States during the past year has continued, and in numbers has exceeded that of any previous year.

Mr. Hill adds that the continued prosperity of the West will be shown in a still greater increase of earnings for the current year.