

ST. PAUL ROAD GETS INTO UNION PACIFIC

Rockefeller Buying Sends Harriman Shares Upward.

COMMUNITY OF INTEREST IDEA

Large Loan Also Negotiated with Union Pacific Shares at Bank Affiliated with Standard Oil.

Heavy purchases of Union Pacific stock which have been going on for several days were declared yesterday to have been made for the account of William Rockefeller and the Chicago, Milwaukee and St. Paul Railroad, which is known as a Rockefeller property.

It is understood that the purpose of the purchases is not to disturb the control of the Harriman interests in the control, but simply to permit the St. Paul Road to have an influence in the affairs of the Union Pacific, with which it now has a very close traffic agreement on exactly the same terms as the Chicago and Northwestern. The St. Paul system is a direct Eastern connection of the Union Pacific, with which it joins hands at Omaha, and close relations between the two roads can only be considered as strengthening their respective positions.

It was conjectured in the Street that the one reason for these purchases was to establish such close community of interests as to make it possible to use the same as a club wherewith to bring the Hill-Morgan interests in Great Northern, Northern Pacific, and Burlington to terms in the method of dissolution of the Northern Securities Company.

This, however, was denied by persons in a position to know. It was said that there was no necessity for any strenuous measures, and that although the question of the dissolution of the Northern Securities Company would undoubtedly have to be settled by the courts, in which case Mr. Harriman and Mr. Hill would appear on different sides of the argument, yet there was no misunderstanding of such a nature as to cause any necessity of strengthening their respective positions. It was stated that each side was fully aware of the contentions of the other, and that they respected each other's opinions thoroughly, even though they did not agree.

Not being aware of the position of the forces as thus set forth, Wall Street, of course, indulged in all kinds of speculations as to the meaning of the purchases. The Street realized that the buying was more than an ordinary market movement. Any one who could read the ticker at all had become convinced that it was not a mere speculative movement.

Until yesterday, however, nothing definite was known about the sources of the buying, although rumor had it that it came from 26 Broadway, the Standard Oil Building. When, however, it became evident that the buying was for the account of Standard Oil interests who intended to turn over the shares to the St. Paul Road, the shares rose abruptly in the market. Union Pacific common, which had closed Monday at 83 $\frac{1}{8}$, sold as high as 87 $\frac{1}{8}$, closing at 86 $\frac{7}{8}$, and the preferred advanced a point, to 93.

Further interest in the purchases was aroused by the fact that a large loan was negotiated with Union Pacific shares as collateral. The amount of this loan is understood to have been \$7,000,000, and it is understood to have been negotiated with a bank with Standard Oil connections. The borrower is understood to have been the purchaser of the stock.

There was at one time an idea that the shares were being bought by the Hill-Morgan interests, in order to insure to them representation on the Union Pacific board, as a sort of balance against the influence of the Harriman interests in the Northwestern roads. This, however, was authoritatively denied by all those concerned.

While the purchase of these shares must be counted among the most interesting developments of the last few months in the community-of-interest idea, yet it is asserted that it will not make any tangible difference in the administration or attitude of the properties involved. The amounts of stock purchased are not heavy enough to pass control, but are large enough to guarantee to the holder permanently a certain friendly influence in the management of the Union Pacific, thereby assuring the continuation of those relations which have existed between that road and the St. Paul system for several years.