

# NEW COMMUNITY PLAN FOR NORTHWEST ROADS

## St. Paul Interests May Control Northern Pacific.

## HILL RETAINS BURLINGTON

### Chicago and Northwestern to be Union Pacific's Share—Thus All Systems

### Could Peaceably Reach Pacific.

A rearrangement of the Northwestern railroad situation, according to excellent information, is said to be the reason for the sudden and unexpected rise in the stock market Friday afternoon and yesterday. According to this authority, an agreement has been reached by all the parties interested under which, after the final decision in the Northern Securities case, the situation will be settled as follows: The interests controlling the Great Northern Railway will retain the Burlington system, Union Pacific interests will secure the Chicago and Northwestern, and the Chicago, Milwaukee and St. Paul people will get control of the Northern Pacific.

Rumors of an arrangement somewhat resembling this one have been current for some time, but the novel feature of the scheme as outlined is that giving the St. Paul interests control of the Northern Pacific and not vice versa. That apparently immaterial change in the plan will, it is declared, make every difference in the world. Were the Northern Pacific to take over the St. Paul, then the Hill-Morgan interests controlling the destinies of the Great Northern-Burlington lines would also be controlling the Northern Pacific-St. Paul alliance. But by giving the Northern Pacific to the St. Paul, the control of the road over which all the trouble and dispute of 1901 arose would be virtually in neutral hands—namely, those of the Rockefeller-Rogers-Standard Oil combination.

While these men hold stock in the Union Pacific, they have still greater interests in the St. Paul line, so that under the proposed arrangement they could be relied upon to see that fair play was observed all around.

The St. Paul system has for some time been considering the advisability of building a line to the coast, and surveys for this purpose were made several years ago. With the control of the Northern Pacific, the St. Paul would be assured of a Pacific outlet, and the rivalry of a new line to the coast would be avoided. It was said yesterday that the plan included an iron-clad agreement by which each system guaranteed not to intrude in the territory of the other and not to engage in ruinous rate cutting. This part of the agreement would be strengthened by an interchange of Directors, so that each group would have a sufficient representation in the other groups to guard against any policy that might be to its disadvantage.

The agreement thus outlined was thought reasonable by several railroad experts to whom it was mentioned, but it was impossible to get an authoritative official statement regarding it. J. J. Hill was out of town, and at the offices of E. H. Harriman and of J. P. Morgan & Co. no information was obtainable.

Union Pacific advanced to 119¼, a new high record, with heavy transactions. This is a rise of over 5 points in two days. St. Paul sold up to 175 after having been quoted as low as 171 a few days ago. Great Northern preferred on Friday gained 9 points, and Chicago Northwestern ruled strong at top prices. The stocks of the other railroads concerned in the settlement are not actively traded in. The strength in these issues influenced the whole market and, with a few exceptions, all stocks scored gains of from ½ point to a point. The remarkable change in sentiment was not better illustrated than by the fact that while the entire dealings on Friday barely reached 700,000 shares, the sales yesterday in only two hours of business comfortably exceeded that total.

The arrangement suggested would give to each of the interests that have been occupying opposing positions ever since the Northern Pacific corner, an independent line from Chicago to the Pacific Coast. Union Pacific and Northwestern now form a through line from Chicago to San Francisco and to Puget Sound by way of the Oregon Short Line. St. Paul would reach the Puget Sound cities by way of the Northern Pacific, and Great Northern would make a through line from Chicago to the coast by means of the Burlington.

While the lines of the Burlington, St. Paul and Northwestern traverse the same territory in Minnesota, Wisconsin, Iowa, and South Dakota, they are competitors largely for through traffic and if in this respect the traffic officials of either can be held in check by the proposed community of interest, the arrangement, if carried out, should prove of great advantage to their earning capacity.