

TO FORM A TRAFFIC CONTRACT.

CHICAGO, Dec. 5.—Negotiations are under way between the Union Pacific and the Chicago, Milwaukee and St. Paul, looking to the formation of a traffic contract between the Kansas Pacific line of the former and the Kansas City extension of the latter. The object, of course, is for the interchange of through business between Chicago and the points west of the Missouri River reached by the Kansas Pacific Road. Rumor at first had it that the arrangement was to include the Kansas line of the St. Paul and the Union Pacific main line, but investigation proved that this phase of it was unfounded. The Union Pacific asked the lines forming the Southwestern Association for a rearrangement of the divisions on through business delivered by the association roads, contending that the Kansas City was entitled to a larger proportion than it had been receiving. At that time the association roads rejected the proposition and intimated to General Manager Potter that he would find it a most difficult matter to break through, although he thought he would find some means of surmounting the barrier erected at the Missouri River by the association lines. At that time the St. Paul's extension to Kansas City was in process of construction, but was not given the consideration it would have received had it been a completed road. Now the case is different. It has formally opened its line for freight traffic, and a traffic arrangement with the Kansas Pacific would be an excellent thing. The St. Paul's line is not an association road, and therefore there is no existing obligation which would hinder it from entering into such an agreement with the Kansas Pacific. It is probable, however, that the association lines will prove more tractable than on the former occasion; that rather than have the St. Paul enjoy a monopoly of the traffic coming off the Kansas Pacific they will submit to a rearrangement of the divisions and continue to have it distributed as in the past.

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