

NEWS ABOUT RAILROADS

SERIOUS TROUBLE ABOUT UNION PACIFIC BRIDGE AT OMAHA.

ST. PAUL AND ROCK ISLAND REFUSED A CROSSING — A CONTROVERSY THAT MAY BREAK UP THE WESTERN PRESIDENTS' AGREEMENT.

A controversy has sprung up in the West between the Union Pacific, the St. Paul, and the Rock Island Railroad that may prove to be a serious "thorn in the flesh" to the Western railroad Presidents' agreement. President Roswell Miller of the Chicago, Milwaukee and St. Paul Road, who is also the temporary Chairman of the new advisory board, is quoted as expressing a doubt as to the practical utility of a Western President's agreement so long as the Union Pacific Road is disposed to disregard the terms of the contract giving the St. Paul and the Rock Island Road the right to use the new Union Pacific bridge across the Missouri River at Omaha.

President Miller is quoted as saying yesterday that a meeting of the advisory board would probably be held in this city on Jan. 8, but that it would adjourn to meet in Chicago at a subsequent date.

An Associated Press dispatch from Chicago last night explains the Omaha Bridge trouble as follows:

"The action of the Union Pacific in debarring the Chicago, Milwaukee and St. Paul from an entrance into Omaha over the Union Pacific bridge was a surprise to the officials of the St. Paul Road. For more than a week they have been advertising that beginning Sunday, Dec. 28, they would run passenger trains through to Omaha instead of stopping at Council Bluffs, but the first train running under the new schedule was stopped by the Union Pacific people and not allowed to cross the bridge.

President Roswell Miller of the Milwaukee and St. Paul, when asked about matters to-day, said: "Last May our company entered into an arrangement with the Rock Island by which we were to build a bridge across the Missouri River at Omaha, for our joint use. As soon as the Union Pacific people heard of this, and I refer particularly to Sidney Dillon, who is now President, and Gen. Dodge, who is a Director, they sought a conference with us. They told us there was no need of our going to the expense of building a bridge, as they would be glad to let us use their bridge for a consideration. Subsequently a conference was held in Omaha and a contract was drawn up by which our road and the Rock Island were to run trains into the Union Station at Omaha over the Union Pacific bridge. This company was to pay \$50,000 a year for the privilege and also its proportion of other joint expenses. The contract was signed, sealed, and delivered and approved by President Adams and the Board of Directors, and there can be no question as to its validity. So far as our freight business is concerned, we have been operating under the contract since July 1, but as soon as we gave notice that we would begin to run our passenger trains into Omaha we were shut out without an explanation. Yes, we are now denied the privileges of the bridge both as to freight and passenger business. The contract is legally binding, and I do not see how the Union Pacific can successfully set it aside."

The Rock Island's contract with the Union Pacific was similar to that of the St. Paul, except that it embraced the joint use of the tracks from Omaha to Lincoln. On the strength of the contract the Rock Island has built fifty-two miles of road between Lincoln and Beatrice, connecting with its main line. The Union Pacific was thus to obtain a southern outlet through Indian Territory and become a competitor for traffic to and from the Southwest. The Rock Island had not as yet commenced operations under the contract, but was prepared to do so, beginning Jan. 4. The officials of that road have also been notified that they will not be allowed the use of the Union Pacific Bridge. President Cable and President Miller were in conference at the latter's office this afternoon, but both declared afterward that they had not decided upon any definite course of action. Neither would they express an opinion as to the cause of the Union Pacific's action, though they were firmly of the opinion that they could not be deprived of the rights accorded them by the contract, even though there had been a change in the management of the Union Pacific.

Of course, the hand of Jay Gould is seen in all this. He owns the Missouri Pacific, and that part of the contract which gives the Union Pacific a line into the Missouri Pacific territory is not to his taste. There is a feeling in railroad circles that this affair will prove a deathblow to the Presidents' agreement.

Neither President Cable nor President Miller would express himself positively on this phase of the question, but the latter said: "If that contract is not a good one and cannot be made to stand, then there is no use fooling away time entering into traffic agreements."

It is said that Mr. Gould does not question the legality of the contract, but is determined, if possible, to prevent its being carried out, because it is much more advantageous to the Milwaukee and St. Paul and the Rock Island than to the Union Pacific. Litigation will delay operations under the deal and may result in a compromise. The legal counsel of the Rock Island and the St. Paul were in consultation with the Presidents of those roads to-day, and it is understood that steps will be taken at once to bring the Union Pacific to terms.