

ST. PAUL MAY ASK FOR A REHEARING

Rumored That Railroad Wants Commerce Board to Re- open Investigation.

NEW DENIAL IS ISSUED.

Attorney Hanson Says Charges of Favoritism and Nepotism Are Untrue.

It is rumored the Chicago, Milwaukee and St. Paul railway company is considering asking the interstate commerce commission for a rehearing in the matter of its report concerning the Puget Sound accounts made public last week.

Within a few hours after the issue of the report by Commissioner Harlan A. J. Earling, president of the company, made a statement replying to the criticisms issued by the commission.

It now appears likely the road will go further and ask for a rehearing. Burton Hanson, general counsel of the company, was asked yesterday when such a request will be made. He refused to comment on the subject, explaining that this is a question for further consideration.

Mr. Hanson was then asked what he could say in respect to purchases of material, supplies, and fuel by the company; also in respect to favoritism in connection with the advancement of relatives of the officers in the more important positions, and also in respect to connection of some of the officers and employes with land companies.

Purchases Made on Bids.

"The purchases of the company are all made on competitive bids," said Mr. Hanson. "Whenever the company is in need of material or supplies or fuel, a statement is prepared showing the quantity and quality required, and the time of delivery, and the concerns which are engaged in the manufacture and sale of the material or supplies needed are furnished with a statement accompanied with the necessary specifications, and invited to make bids. The quality being equal, the lowest bid is accepted.

"Occasionally a bidder whose bid has not been accepted, complains of unfair treatment and charges have been made by disappointed bidders that favoritism to relatives and friends of the officers of the company have influenced the acceptance of bids.

Calls Charges Untrue.

"Such charges are without foundation. The system under which this company makes its purchases precludes all favoritism, for all bids are passed upon by a permanent standing purchasing committee, composed of the vice president in charge of operations, the assistant to the president, and the purchasing agent, and no bid is accepted without the approval of the full committee. If one member of the committee dissents, new bids must be obtained before the purchase is made.

"It is needless to say that no member of this purchasing committee has any interest, directly or indirectly, in any material or supplies purchased or in any concern selling them. Further, no railway company in our territory purchases now or ever has purchased its material, supplies, and fuel at more favorable prices than the St. Paul company.

"There is no nepotism or favoritism in the St. Paul system and never has been. While it is true that the vice president now in charge of the operation of the western lines at Seattle is a brother of the president of the company, he has been in the service of the company approximately thirty-five years, commencing as a telegrapher in Wisconsin.

"He has been advanced from time to time along with others, who worked side by side with him, and his present position is due entirely to his own merit. He is the only relative that I know of that has any connection with the company at the present, and I have been with the company for more than thirty years."

Answers Land Charges.

"How about the alleged operation of land companies to the benefit of friends and relatives?" he was asked.

"The Western Land and Cattle company, a corporation of the state of South Dakota, was organized by parties who had no connection whatever with the St. Paul company," Mr. Hanson said. "It was organized for the purpose of buying farm and grazing lands and live stock. I had \$5,000 of stock in this company, for which I paid that amount in cash. My recollection is that Mr. Field, my associate, had a like amount of stock, and, as I recollect, one other officer of the company, who is located at Milwaukee, had a small amount of stock. I have no recollection of any other officer having any stock or other interest in this company.

"The company went out of business some years ago and is not now in existence. This company has nothing whatever to do with the right of way, or station grounds, or townsites of the company, nor has it any relation whatever to what is known as the Milwaukee Land company, and should not be confused with that company.

Defends Land Company Ownership.

"The Milwaukee Land company, concerning which there has been more or less misunderstanding, is a corporation of the state of Iowa, organized in the interest of the St. Paul company, the entire stock of which is owned by the St. Paul company, as it has the right to do under its charter, and all the profits arising from the operations of that company, in the purchase and sale of townsites, are received into the treasury of the St. Paul company as dividends on the stock which it owns. No officer or employe of the St. Paul company ever had any interest whatever in this land company."