

HARRIMAN AGREES TO RAILWAY TRUCE

**Union Pacific and St. Paul Reach
an Understanding as to
Traffic for the Coast.**

HOPE TO AVOID FRICTION

**Peace Likely to Rule, as It Is Believed
There Is Ample Business for
All the Lines.**

The Union Pacific and the Chicago, Milwaukee & St. Paul, it was learned yesterday, have reached an understanding regarding a number of questions, including some which arose in connection with the extension of the St. Paul to the Pacific Coast, where it will be brought into direct competition with the Harriman lines for the transcontinental business originating on or destined for the Pacific Coast. President Albert J. Earling of St. Paul was in this city yesterday, and was reported to be in conference with officers of the Union Pacific in reference to traffic agreements with the Harriman lines running down the Pacific Coast.

It was learned that the understanding covers a number of matters and has as its object the avoidance of discord in the Northwestern railroad field as a result of the St. Paul's entrance into this field, which must needs result in more or less active competition by the St. Paul with the Hill and Harriman lines, which in the past have divided between them this Northwestern business. In authoritative quarters it was said yesterday that it was the hope of the Union Pacific management that the understanding which has been reached will avoid any friction.

The Harriman lines, it will be recalled, some little time ago settled their differences with the Hill lines, as a result of which the Hill interests, instead of offering further opposition to the Harriman scheme for an extension of the Southern or Union Pacific's line northward along the Pacific Coast, have facilitated these plans by selling lands needed for the Harriman right of way. With the amicable understanding which has now been reached with the St. Paul on questions which might possibly have caused friction between the two systems, the peace of the Northwestern railroad situation is regarded as likely to continue undisturbed.

While interests prominent among the St. Paul stockholders are closely associated with E. H. Harriman, it was regarded as natural that the efforts of the St. Paul upon the completion of its extension to the coast to share in the Pacific Coast business would tend to strain the relations of the two systems, though in a general way the opinion was expressed that the growing business of the Northwest would supply enough traffic for all the lines, including the St. Paul. The chances for such friction, it is regarded in the financial district, have been greatly lessened, if not entirely removed, by the understanding, the terms of which have not been made public.

HARRIMAN MERGER HEARING.

**Testimony Given in Government's Suit
Reread Before Special Examiner.**

The taking of testimony in the Government's suit to dissolve the Union Pacific Railroad system "as a merger in restraint of trade" was begun in the Custom House yesterday morning before Sylvester G. Williams, Special Examiner. The case of the Government was in the hands of Frank P. Kellogg and C. A. Severance of St. Paul, the latter appearing before the Examiner in the absence of Mr. Kellogg, who is engaged in the Standard Oil hearing.

Mr. Severance said in opening for the Government that it had been agreed to read into the minutes certain portions of testimony taken before the Inter-State Commerce Commission at the hearings which began in New York on Jan. 4, 1907, and continued in various parts of the country during six or eight weeks thereafter. Then appearances of counsel were noted as follows:

For the Union Pacific Railroad Com-

pany, the Southern Pacific, the Oregon Short Line, the Union Pacific, and other subsidiary companies, and E. H. Harriman—John G. Milburn, ex-Senator John C. Spooner, ex-Judge Robert S. Lovett, and Maxwell Evarts; for Jacob H. Schiff and Otto H. Kahn—Paul D. Cravath and Walker D. Hines; for the San Pedro, Los Angeles & Salt Lake Railway Company and ex-Senator William A. Clark—Edward H. Blanc and Judge W. R. Kelly; for James Stillman and Henry H. Rogers—James M. Beck; for Henry C. Frick—G. T. Watson and John M. Freeman of Pittsburgh.

The Government's bill of complaint petitions that the courts set aside the ownership by the Union Pacific Railroad Company of its subsidiaries, the San Pedro, Los Angeles & Salt Lake Railroad Company, and the ownership by either the Union Pacific or the Oregon Short Line of stock in the Atchison, Topeka & Santa Fé, the Great Northern, and the Northern Pacific Railroads. These roads are regarded as natural competitors of the Union Pacific. Attorney General Bonaparte believes, as do Messrs. Kellogg and Severance, that sufficient evidence that the Union Pacific came within the prohibition of the Sherman act was obtained by the Inter-State Commerce Commission at the hearings from which testimony was read yesterday.

Mr. Severance read into the record parts of the testimony of Alexander Millar, Secretary of the Union Pacific and Southern Pacific, and an officer in each of the various subsidiary companies controlling railroad and steamship lines. As he began to read all the opposing counsel with the exception of William Evarts rose and left the room after bidding Mr. Severance and the Special Examiner "au revoir."

"When I begin to speak I empty the house," laughed Mr. Severance.

Mr. Millar's testimony contained admissions of ownership and control in various subsidiary companies. A majority of the Directors in the Union Pacific Company were shown to be Directors in the Southern Pacific. Mr. Millar, in the testimony read, said that the Southern Pacific Railroad Company owned "a little over half the Pacific Mail Steamship Company's stock," and elected the Directors and officers of that company, as well as those of the Portland and Asiatic Steamship Company, and the Oriental and Occidental Steamship lines.

Mr. Evarts interrupted to admit that the Southern Pacific and Union Pacific owned or controlled all the lines alluded to. He said that the vessels of these lines as at present constituted belong to the railroads, old vessels having been replaced by boats of the railroad company.

"These are still Morgan lines nominally," he said.

The sessions will continue this morning.

MCCARREN KEEPS CONTROL.

But Factional Trouble Grows and Leader Faces Another Fight.

At the annual meeting last night of the Kings County Democratic General Committee an unsuccessful attempt to bring about a reorganization of the party in Brooklyn, with a view, apparently, to the elimination of Senator McCarren as leader, was made by the minority faction.

With a show of temper unusual with him, the Senator opposed the plan in a bitter speech, in which he declared that he had been made the issue in the last primaries and that the Democratic voters of the county had sustained him.

Although the reorganization resolution was laid on the table by an overwhelming vote, it was plainly evident that the factional trouble was growing, and that McCarren was facing another fight to keep his organization together. The question of a reorganization will be put squarely up to the Senator at a meeting of the Executive Committee on Friday night, and it is generally expected that there will be a lively time.

McCarren made it clear last night that he was not disposed to retire from the leadership, and it is probable that if he maintains this attitude Michael E. Butler, leader of the Twelfth District, and one or two other leaders will go over to the opposition.

RETURN GAMBLING OUTFIT.

Police Ordered to Give Up Paraphernalia Taken from Windsor Club.

Gambling paraphernalia taken in the raid on the Windsor Club, in Bedford Avenue, near Fulton Street, Brooklyn, eight weeks ago, has been returned to the club.

All of the prisoners have been discharged, and Magistrate Tighe has issued an order directing the return of the property seized.