

MANAGING THE RAILWAYS

THE TERMS OF THE TRIPARTITE AGREEMENT.

THE UNION PACIFIC TO DIVIDE ITS BUSINESS INTO TWO EQUAL PARTS—THE PERCENTAGES ALLOTTED.

BOSTON, Dec. 21.—The much talked-of agreement between the Union Pacific, the Chicago, Rock Island and Pacific, and the Chicago, Milwaukee and St. Paul was made public to-day. It is declared to be the purpose of the parties to establish and operate through lines of railway which shall connect, when the same can be done by a reasonably direct line through Council Bluffs, all points on the system of the Union Pacific with all points on the several systems of the other roads with a few exceptions. The Union Pacific agrees to deliver to the railways of the other parties at Council Bluffs all eastward bound through traffic, which may be received for transportation. It will divide all competitive through traffic from its own railways to those of the other parties into two equal parts. The Chicago, Rock Island and Pacific and the Chicago, Milwaukee and St. Paul Railways agree to deliver to the Union Pacific at Council Bluffs all westward bound through traffic, and to receive all east bound through traffic. Of all through rates for eastbound traffic from or to Chicago points, the Union Pacific shall receive 40 per cent., the other railway by which such traffic shall be received from or delivered to the Union Pacific 60 per cent. Of all east-bound traffic from and to Mississippi points the Union Pacific shall receive 47 per cent., and the other railways 53 per cent. If any difference shall arise as to the construction of the articles, or in reference to the performance of any of the agreements, any party affected may demand a decision of the same by Referees. The reduction of any rates East or west of Council Bluffs, by a road not forming a part of a through line under this agreement, in competition with a through line so established, shall be considered sufficient cause for an immediate reduction to meet the competing rates, it being expressly understood by all parties that they are mutually bound to protect in all lawful ways each other.

On completion of the Oregon short line to a connection with the Navigation Company, the through rates over the Council Bluffs Line shall be so divided as to allow the Union Pacific a fair proportion of all rates made, including bridge tolls on traffic to and from points in Oregon. All traffic over the Union Pacific passing through San Francisco and Portland, including traffic to and from points in or beyond the Pacific Ocean, shall take San Francisco and Portland rates. Allowance is made for bridge tolls only on traffic to and from points in Nevada, California, and Oregon. If the through rate is reduced on first-class freight from Chicago to Denver to meet competition, the Union Pacific shall receive $72\frac{1}{2}$ per cent. of the reduced through rate, and the other roads $27\frac{1}{2}$ per cent. There are special provisions for proportions of earnings when reductions on certain business reach $\frac{1}{2}$ cent per ton per mile.

If rates are reduced for reasons not satisfactory to any party the fixed schedule shall be restored until a majority direct a modification. There are other provisions of an ironclad nature protecting the parties to the agreement, in case of competition from any source, each company is to furnish its quota of cars, and the mileage shall be equalized, compensation being allowed for an excess of car service. Differences of opinion as to the interpretation of the agreement or performance of the contracts shall be settled by Referees, for whose appointment provision is made, recourse being had to the Judge of the United States Circuit Court, at Chicago, for the appointment under certain conditions. This covenant is to last until Jan. 1, 1900, but any party may withdraw at the expiration of five years on giving one year's notice, the covenant to remain binding on the other parties as before.

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