

# TO CHECK RATE CUTTING

## Inter-State Commerce Commission Will Enjoin Railroads.

### Movement Begun Against Chicago Lines to Enforce the Sherman Anti-Trust Law.

*Special to The New York Times.*

CHICAGO, March 18.—The Inter-State Commerce Commission to-day disclosed its plans for its crusade to prevent violations of the Sherman anti-trust law by railroads. The commission has seized upon the railroads' own great weapon, the injunction, and turned it against those corporations.

Copies of petitions for injunctions in suits which will be begun at 10 o'clock to-morrow morning were served to-day upon the general officers of all railroads centring in Chicago. This was the immediate result of the visit of W. A. Day, attorney for the Inter-State Commerce Commission, who arrived yesterday afternoon from Washington.

The petitions declare that there have been repeated violations of the Sherman anti-trust law by pooling, rate cutting to favored patrons, and other discriminations, and it is alleged that further violations are threatened. The testimony of Hill and Harriman, as well as other great railroad owners before the Inter-State Commerce Commission is said to have furnished the basis for these injunction suits.

The proceedings will be instituted in Kansas City against the following railroads: The Atchison, Topeka and Santa Fé; Chicago, Rock Island and Pacific; Missouri Pacific, Wabash Railroad, Chicago, Burlington and Quincy; Chicago Great Western, Chicago and Alton, and Chicago, Milwaukee and St. Paul. Each one of these roads has been furnished with the following notice, and a copy of the bill to be filed with Judge Phillips of the United States Circuit Court at Kansas City to-morrow:

"You will please take notice that on Wednesday, March 19, 1902, the undersigned, acting on behalf of the United States of America, will apply to the above-named court or to one of the Judges thereof at Kansas City, Mo., for a temporary injunction or restraining order to restrain your railroad company, its officers, agents, and servants from departing from its published rates, and from unjustly discriminating in said rates by paying rebates, or otherwise, in respect to interstate traffic transported by said company, when and where you may appear and resist said application if you shall desire so to do.

(Signed) W. A. DAY,

Special United States Attorney."

The bill to be filed to-morrow morning sets forth that about March 15 the Inter-State Commerce Commission requested the United States Attorney General to direct the District Attorney to begin proceedings, either by injunction or by some other method, to prevent the Chicago-Kansas City railways from violating the "Act to regulate commerce." The Attorney General at once directed the bringing of the suit, both on the ground that the matters complained of are in violation of the provisions of the act to regulate commerce, and also in violation of the Sherman act to protect trade and commerce against unlawful restraints and monopolies.

After setting forth that the accused roads are common carriers and are subject to the provisions of the Inter-State Commerce act the bill recites that they have made schedules of 23½ cents a hundred pounds on packing house products from Kansas City to Chicago, this being, until Jan. 1, the only lawful rate. Then it is declared that the railways involved secretly made a rate of 18½ cents, with corresponding reductions through to New York, and through unlawful combinations received large quantities of packing house products, later rebating to certain shippers the difference between the secret and the published rate. The bill then sets forth the facts disclosed at the recent investigation before the Inter-State Commerce Commission in this city.

The general counsels and general solicitors of a number of the roads held a conference to agree on some course of action. It was learned that Judge Phillips is at Jefferson City, Mo., and probably will not be able to go to Kansas City to-morrow. As the attorneys of some of the roads cannot well go to Jefferson City on such short notice, it was agreed that Attorney Day, who has gone to Kansas City, should be requested to delay action for a day or two so as to give the railway attorneys a chance to study the matter and make their arguments at Kansas City.

A number of the attorneys left for Kansas City this evening. While no definite course of action has been agreed on, it is understood that no serious objections will be made to the injunction. Most of the larger railroad systems claim to be in favor of preventing rate cutting and paying rebates. They say they will be the gainers if rates are maintained, as it is the small and indirect lines that cut the rates to hold their own against the big companies, and that the latter are forced generally to meet the cut rates.

The same charges of secret rates and rebates are made in regard to grain shipments from Kansas City. After giving the details of these alleged illegal transactions, the bill concludes with the following petition: "That a subpoena or other suitable process may issue requiring the defendants to appear before the United States Court for the Western District of Missouri, and there make answer to all the matters referred to. An injunction, supplemented by a temporary restraining order, is asked against the defendants, their representatives, officers, agents, &c., restraining them from carrying out any agreement to transport packing-house products, dressed meats, grain, and grain products, at any other than the published schedule; also to restrain them from departing from the established schedule in future, and from paying the rebates or making any concession conflicting with the legal rates.