AFFAIRS OF THE RAILROADS.

THE ST. PAUL'S RETALIATION. MAKING A LARGE OUT IN RATES AT THE

BEGINNING OF ITS FREEDOM.

CHICAGO, Feb. 5.—Relieved from the embarrassment of connection with the Missouri River Passenger Association, the Chicago, Milwaukee and St. Paul Railroad Company to-day announced a cut on rates to Council Bluffs and at the same time one on rates to St. Paul. The announcement was made in the shape of a notice to agents stating that the Rock Island had been for months selling tickets to St. Paul at less than tariff rates and refused to restore rates, and that the Milwaukee and St. Paul felt compelled to meet the Rock Island rates in order to protect its legitimate business. Second class tickets to either Council Bluffs or St. Paul would therefore be sold over the counter at \$7 each "till," concludes the notice significantly, "tickets are sold in the market over other lines at a less rate."

There has hitherto been no second class rate to Council Bluffs and the first class rate has been \$12 50. The cut is therefore virtually \$5 50. The second-class rate to St. Paul has been \$9, making the cut to that point \$2. The Rock Island, at which the Milwaukee and St. Paul's blow is directed, is hampered in retaliatory measures by its connection with the new Missouri River Passenger Association, which was formed this week. By the terms of the new agreement it can meet the cut on the Council Bluffs business, which is included in the new association, only through Arbitrator Wilson. It is not doubted, however, that some way will be found to meet the competition of the Milwaukee and St. Paul. As far as the St. Paul business is concerned, it is free to take such steps as it sees fit, and a very lively rate war is expected.

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