

ers and lakes to do it? An English vessel can start from Detroit, go down the lakes, and land at Buffalo just as easily as a railroad can run across the country, and can carry the freight very much cheaper than the railroads are carrying it.

If we are doing this for the purpose of increasing competition to our own people, why not let us open the trade to English and Canadian owners and let their ships and steam-boats carry the business from Duluth, Milwaukee, Chicago, Detroit, and all the other points along our lake and river frontier down to Erie and Buffalo; and also down the St. Lawrence? If it is fair for us to prohibit foreign ships from the coasting trade on the Atlantic waters, it ought to be fair for us to prohibit railroads from engaging in the coasting trade along the northern side of the lakes and waters of our northern boundary; and if we permit the Canadian railroads to engage in the traffic, as I say, why should we not permit the Canadian steam-boats to engage in the same traffic? We ought, at least, be consistent in the matter.

The CHAIRMAN. Suppose you tell us exactly what the railroad facilities of the British Government in Canada are that compete with American railroads anywhere.

Mr. WILSON. I will come to that in a few minutes. I have the subject arranged in the natural order of presentation, and I would like to keep it in that order.

Mr. HISCOCK. Let me ask you this question, not with a view of your answering it now, but so that you may keep it in mind: In your argument do you discuss the point of how the amendment you propose or the restriction you propose would affect freights? I will ask you that.

Mr. WILSON. I do allude to it in the conclusion of my argument, and I will speak of that. I want to allude now briefly to the fact that in times of our greatest national emergency since railroads came into use, the Government has levied and collected heavy taxes from railroad earnings, and will doubtless do so whenever any other emergency arises which seems to justify or require it.

The government of the United States has a very large pecuniary interest in railroads that are affected by this very practice; I refer, of course, to the subsidized railroads to the Pacific Ocean. The permission recently extended to the Pacific Coast Steamship Company and the Canadian railroads to engage in the traffic which it would seem fair that the Government should reserve for its own railroads, has had the result, I am informed, of diverting at least \$600,000 worth of traffic from the Northern Pacific Railroad alone during the past season.

Now, as to the condition of this question in other countries. I believe it is a fact that there is no government in the world that permits the practice to which I have alluded except our own. I do not think it has ever been even suggested that any European government should permit a foreign railroad, or the railroads of a foreign country, to carry traffic through its own borders and redeliver it to the country from which it emanated. I am quite satisfied, from what I know of the general policy of the European governments, that if such a proposition were made to Bismarck by France that it would almost throw him into the hydrophobia. It is a monstrous proposition, viewed from the standpoint of European governments.

Mr. EUSTIS. Do the same conditions exist there?

Mr. WILSON. I do not know that they do, exactly, but I think so. The German provinces of Alsace and Lorraine lie on the French side of the Rhine, and railroad traffic from French points on one side of those provinces to French points on the other, you can rest assured, is compelled to go around and not through them. I am not familiar with the lines of railway there, but I have no doubt there are lines which run generally along the northeastern border of France towards the southeastern border of France and pass through Alsace and Lorraine, because those were French provinces when the French railroad systems were laid out. I have no idea that the German authorities permit trains and freight to pass into one and back into the other