

There is no doubt but that Canadian railways offer some hinderance to the complete enforcement of the interstate commerce law. Whilst the United States railways are hampered by this law, the Canadian roads are free from such restrictions. On this account, the C.P.R. Co., for instance, will have an advantage over United States roads in handling traffic for through shipment from United States Pacific coast ports, or from its Sault Ste. Marie connections. This is the matter which the interstate commerce committee will investigate and report upon. What the outcome may be, it is difficult to say, but it is not improbable that some effort will be made to place an embargo upon Canadian railways, in handling United States traffic. Still the question is a very difficult one to handle, and any movement to cut off the competition of the Canadian roads, would meet with intense opposition in some parts of the United States. Minnesota and Dakota would certainly fight against the cutting off of the Canadian roads, and they would be seconded by Pacific coast ports, and by strong influences in some of the northeastern states, gainers by the competition from the Canadian roads. On the other hand some United States interests would gladly see the Canadian roads cut off. Indeed, it is hinted that the politicians most active in their hostility to the Canadian railways, are working in the interests of certain United States roads. Chicago, it is said, is alarmed at the diversion of northwestern traffic via Sault Ste. Marie, and is working to place a stopper upon that route.

The interstate commerce law is itself meeting with strong opposition in many parts of the United States, particularly throughout the West, and the abolition of the law is frequently demanded. It has been urged in some quarters, that if the interstate act prevents United States roads from competing advantageously with Canadian railways, the law should be abolished, instead of restrictions being placed upon Canadian roads. The people in certain sections of the United States will themselves be the greatest sufferers from the shutting out of the Canadian roads, and any movement to that end, will certainly produce no end of strife in that country. Canadian railway interests may suffer to some extent, but otherwise the matter is not of nearly as much importance to the people of this country as to certain portions of the United States,

which are largely depending upon Canadian roads. Sault Ste. Marie, for instance, is the natural outlet for northern Wisconsin, Minnesota and Dakota, and to place such restrictions upon the Canadian railways as would compel the traffic of this region to reach the seaboard via Chicago, would be to do an injustice which congress is hardly likely to undertake. Still, it must be admitted that there is a very strong feeling in some quarters against the C.P.R. Co., which is looked upon as a subsidized British institution, working directly in the interests of the Dominion and Imperial governments.

In discussing this question of international traffic, reference has frequently been made to the bonding system, and in some instances the abrogation of the system has been demanded. The transportation of goods through the United States in bond was made allowable by an act passed in 1866. This bonding system was stipulated for in the treaty of Washington, and it cannot therefore be withdrawn unless through the abrogation of the treaty.

THE CANAL DUES.

Another grievance has been discovered at Washington, against this country, in which there is some show of reason. This time it is charged that the Canadian government is discriminating against United States ports, in its arrangement of the canal tolls. According to the Washington treaty, the Canadian canals were secured to United States shipping on equal terms with Canadian shipping. It appears however, that the spirit if not the letter of the treaty has been overlooked in respect to some of the features connected with the management of the canals. The toll on breadstuffs passing through the Welland canal is 20 cents per ton, but a rebate of 18 cents per ton is allowed on shipments which go forward to Montreal. This rebate is not allowed upon traffic through the canal and thence to United States ports. The discrimination is therefore not against United States shipping, but against United States ports, Canadian vessels, bound for say Oswego, would be obliged to pay the 20 cents per ton, without the rebate, whilst United States vessels bound for Montreal, would get the rebate of 18 cents per ton. This is looked upon at Washington as a violation of the spirit of the Washington treaty, and it has been proposed to retaliate by placing discriminating tolls upon Canadian traffic

through the Sault Ste. Marie canal. The United States government could adopt a similar course to that the Canadian authorities have followed, and place a discriminating toll upon traffic to and from Port Arthur, and in favor of Duluth. Should such a plan be adopted, Canada would not have very good ground for complaint, in view of the policy now followed regarding the Welland canal. It is to be hoped, however, that the irritating features will be removed before any retaliatory action is undertaken on the part of the United States. Canadian shipping on the upper lakes is now entirely dependent upon the United States canal at the Sault, and such discriminating tolls could be levied there as would seriously injure our shipping interests on Lake Superior. Should a heavy discriminating toll be levied on traffic from Port Arthur through the Sault canal it would probably have the effect of driving Manitoba exports of wheat, etc., to Duluth, to the detriment of Canadian Lake Superior ports and the C.P.R.

A bill has already been introduced at Washington, intended to rectify this alleged violation of the treaty by Canada. It provides that the President may "when in his opinion the Canadian Government imposes tolls on vessels of the United States passing through the Welland and St. Lawrence canals which are not imposed upon Canadian vessels, to issue a proclamation declaring that all foreign vessels passing through the St. Mary's or St. Clair Flats canals shall be subjected to a toll of twenty cents a ton." The President is further authorized to suspend the proclamation, when it shall appear to him that the Canadian Government is no longer discriminating against vessels and ports of the United States.

An examination of the clause of the treaty of Washington, relating to the canals, will show that Canada was not bound thereby to give United States citizens the same canal facilities as accorded to Canadian shipping. Great Britain merely agreed in the treaty to urge upon Canada to secure to the United States the use of the Dominion canals on equal terms with citizens of this country. The United States Government agreed to allow British subjects the use of the St. Clair flats canal, and further agreed to urge upon the several state governments to allow the use of the state canals to British subjects on terms of equality with citizens of the United States. The state governments, as in the case of the Erie canal, have persistently refused to the present day, to allow the use of the canals to Canadian shipping. It may therefore be said that the Canadian Government has good reason for discriminating to the extent it has done, in the matter of the Welland canal.