

I wish to call attention here to the fact that I am not a lawyer and do not know exactly what a "public contract" is, or what a lawyer might consider to be a "public contract." But I know what I mean by those words. I mean that no secret agreement should be made by railroads with anybody.

The CHAIRMAN. In connection with their business?

Mr. WILSON. Yes, in connection with their business. What I want to accomplish is to make that the fundamental principle of this bill. Judge Reagan began at this matter a great many years ago and he began on the right lines. In my judgment nearly all the troubles connected with transportation can be cured by requiring that all the actions of the transporters shall be made public. If they have secret engagements they are sure to beat somebody. If they do not beat the public they will beat each other, and in either case the public suffers. The full light of day on the conduct of the railroad business is the surest possible means of having it conducted fairly and honestly, because it brings public sentiment to the punishment of such acts as are improper, illegal or unfair.

And I feel so strongly convinced of the truth of this conclusion that I am satisfied that this bill will have to be very materially modified if you would prevent it from being absolutely abolished in obedience to public clamor. If secret contracts of any kind are permitted, the public cannot find them out. If all contracts and agreements are made public, the public will make the "racket" and will enforce the law themselves. I am therefore anxious for, and very strongly in favor of, such an addition to this bill as will increase that particular power of the public, and decrease the traffic manager's power over the law and over the railroad property of the country.

It is not my purpose to discuss the whole Interstate Commerce act, but on leaving the important point of publicity I desire to call your attention to another point, which is, if possible, of still greater importance.

I suggest that section 6 be amended by striking out all of the second paragraph, the purpose aimed at being to make it unlawful for any common carrier to receive freight (but not passengers) at any point in the United States and carry the same through any foreign country to any other place in the United States in bond or in sealed cars without paying duty on the same at the port or place of re-entrance.

The practice of the railroads in reference to this matter is a matter of public notoriety, but in order that my statement may be complete, I will say that it is carried on under the provisions of paragraphs 3000 and 3006 of the Revised Statutes of the United States, and also under article 836 and following of "The General Regulations under the Customs and Navigation laws of the United States in 1884," and also in accordance with the action of the Secretary of the Treasury, who makes the regulations to carry out the various laws, and has done so very recently in the case of the Pacific Coast Steamship Company and of the Canadian Pacific, connecting with it.

Paragraphs 3000 and 3006 are simply, as I read them, permissive law. In compliance with the resolutions offered by Senator Frye, January 30, 1888, the Secretary of the Treasury replies under date of February 7, by a letter which has just come to hand and which sets forth the conditions under which the traffic is carried on by Canadian railroads. I shall not read the whole of it, because I do not wish to detain you. But section 3006, quoted therein, runs as follows:

Imported merchandise in bond, or duty-paid products and merchandise of the United States, may, with the consent of the proper authorities of the British Provinces or Republic of Mexico, be transferred from one port of the United States to another port therein, over the territory of such Provinces or Republic, by such routes and under such rules, regulations, and conditions as the Secretary of the Treasury may prescribe. And the merchandise so transported shall, upon the arrival in the United States from such Provinces or Republic, be treated with regard to the liability to, or exemption from, duty or tax as if the transportation had taken place entirely within the limits of the United States.

Paragraph 3000 is of a similar tenor, and permits goods to pass in sealed cars or in bond from any point in the United States, through Canada or Mexico, to any other point in the United States free of duty.

As I understand it, these laws were passed to carry into effect articles 29