

3,417 miles. From Boston to Vancouver via American lines 3,346 miles, via C. P. 2,935 miles. It appears therefore that the distance is not substantially against the Canadian line.

It is urged by the C. P. that relative distance is of no account. This is not exactly true. The public is apt to associate the quickest time with the shortest route & it is worth something to be able to advertise the advantage of distance. Still, what the passenger looks at most is the time occupied. Twenty-nine hours longer between Boston & Seattle means both the loss of an additional day & the expenditure of additional money. It cannot be denied that such a difference in time as that exhibited is a serious handicap.

A railroad must not, however, create a disability for the sake of obtaining a differential. If the C. P. fairly can & fairly ought to make substantially the same time as is made by the American lines, then the fact that it does elect at the present to use more time ought not to weigh so heavily in its favor. That Co. would not probably admit that its road-bed or equipment is inferior to that of any trans-continental line. Why is it then that the time occupied is so much longer? This inquiry was put to Mr. McNicoll, & his answer was: Owing to the fact that it has comparatively little intermediate business over the first half of the journey from the East to the Pacific Coast as against much intermediate business upon the American routes. For this reason it cannot, over the corresponding part of the journey, run trains with the same rapidity as do the American lines. Thus the passenger who starts from Boston to Seattle by way of Chicago & St. Paul, rides for the first 1,500 miles upon an express train which is provided not for him but for business independent of trans-continental business, while the passenger who sets out for the same destination by the C. P. passes for the first 1,500 miles through a country where there is for the most part little or no intermediate business, where a train must be run for through passenger mainly, where the travel during a considerable portion of the distance justifies the running of but a single train a day which must do a local as well as through business.

Just how far this may be justified by actual conditions we cannot accurately determine. The local business between Montreal & Winnipeg certainly does not much embarrass the speed of its trains. One circumstance may be here referred to which casts great doubt upon the validity of this claim.

As already said, the main line of the C. P. runs west from Montreal along the northern shore of Lake Superior through Port Arthur, Winnipeg, & so on to Vancouver. From Sudbury, distant from Montreal about 450 miles, a branch line runs down to Sault Ste. Marie, where it connects with the M., St. P. & S. Ste. M. R. This latter railroad, which is controlled & virtually operated by the C. P., extends from Sault Ste. Marie to St. Paul, & from St. Paul to the International Boundary line at Portal, where it connects with another branch of the C. P., joining the main line again at Pasqua Jet. The C. P. has therefore 2 lines from Montreal to the Pacific Coast, one by its main line through Port Arthur & the other by what is called the Soo line through St. Paul. By the latter route the passenger leaves the main line at Sudbury, passes through St. Paul, & returns to the main line again at Pasqua. The distance from Sudbury to Pasqua is a trifle greater by the Soo line than by the main line.

Now the actual running time from Boston to Vancouver by the way of the Soo line to-day is 1.7 hours, as against 1.40 hours by the main line; & the actual running time from Boston to Seattle by the Soo line is 1.31 hours, as against 1.44 hours by the main line. This makes the time from Boston to Vancouver but 2 hours longer; & from Boston to Seattle

but 16 hours longer by the Soo line than by the shortest American line.

In making the foregoing comparisons of time & distance the American line selected has been the Boston & Albany, New York Central, & Lake Shore to Chicago. But this strictly ought not to be. As against that line the C. P. has enjoyed a differential of \$11.75 1st class, & \$7.35 2nd class. This arises from the differential between Boston & Chicago. The differential of \$7.50 1st class & \$5 2nd class which the C. P. demands is, from New England, as against the G. T. R. & its connections, & the comparison, in order to be of value in determining the justice of that claim, should be with the G. T. as the initial line between Boston & Chicago. This comparison would reduce the difference in time & give the C. P. an advantage in the matter of distance. Comparing the time by this route with the time actually made by the C. P. over its Soo Pacific route there would be but little if any difference against the latter Co.

Now it will hardly be claimed that the road-bed or equipment from Sudbury via St. Paul to Pasqua is better than via the main line between those points, nor that the intermediate business is materially greater, & if the C. P. is now actually running its trains upon this time by the Soo line, it is difficult to believe that it could not by a proper adjustment of its schedules & the reasonable operation of its trains make the same time by its main line; in other words, that it could, if it saw fit, do away with the greater part of the difference in time which now exists. Every other consideration except that of time is against the granting of this differential.

(3) This is clearly apparent by comparing conditions now with those when the differential was first allowed. In 1886 the C. P. R. was a newly-completed route. Its road-bed was imperfect; its name but little known. It had no communication with Seattle or Tacoma except by boat from Vancouver. Under these circumstances it might very well happen that it could not at the same rate obtain a fair portion of the business. To-day all this is reversed. Of all these competing lines the tracks of the C. P. alone extend from ocean to ocean. Its road-bed & equipment are equal to any. It has railroad connection with Seattle, Tacoma & Portland. It runs through cars on certain days each week from Boston to Seattle & from Boston to Vancouver, & through cars every day from Montreal to Vancouver. It has steamship connection with Asia by its own steamers. It may be doubted if the name of any of its rivals, perhaps of any American railroad, is more generally known throughout the civilized world than is that of the C. P.

Nor is this all. When this differential was first granted business to Pacific Coast points went largely to San Francisco; practically none of it went north of Vancouver. It was largely in consideration of that fact that the differential was then allowed. To-day this is not so. The great volume of traffic by these north trans-continental lines is to Puget Sound, or through Puget Sound to points beyond. Ten years ago the C. P. was out of the direct line of travel between the East & the Pacific Coast; to-day it is the direct line for a large portion of that traffic.

It has already been said that the real contest is between the N. P., the G. N. & the C. P., & it has been further said that for the purpose of a just comparison the G. T. & its connections should be treated as the initial line between Chicago & New England & between Chicago & Eastern Canada. If, upon this basis, these 3 lines are placed side by side as competing routes between the territory in question east & west what is the result? In location, distance, construction, equipment, through car service, reputation, facilities for obtaining business, scenic attractions, the C. P. would not for a moment admit its inferiority to either

of the others. We do not think that the mere fact that that Co. elects to take more time than its competitors by its best line, while it actually makes substantially the same time by its inferior line, entitles it under all the circumstances to a differential.

There is still another consideration which is entitled to great weight. While the differential is firmly grounded in the railroad policy of certain portions of the U. S., & is approved by many of the greatest railroad authorities, its application is by no means universal. The testimony in this case shows that there are no differentials west of Chicago. It is understood that none prevail in the South. The use of the differential is almost exclusively confined to trunk line territory or to rates made by combinations of those in that territory which carry the trunk line differential. The conditions there are such perhaps as to emphasize more strongly than elsewhere the necessity for some expedient of this kind.

It is evident that in all the great extent of country where there is no differential there must be at many competitive points & between many competing lines disadvantages & disabilities which are not equalized. This must be true between the trans-continental lines themselves. Both the General Passenger Agent of the N. P. & Mr. McNicoll of the C. P. stated that in their opinion the G. N. could not, under present conditions, obtain an equal proportion of passenger travel with the N. P. at the same rate, & yet the G. N. asks for no differential. The same thing must be true of other lines at other points, yet all these lines have agreed not to ask a differential.

Now, under these circumstances, we do not think that a single line, whether it be American or Canadian, ought to insist upon the introduction of the differential into this territory, unless it plainly appears that under the application of the present rule that line is at a clear & manifest disadvantage.

This we think should be true of an American line, & all the more is it true of the C. P. That road is eminently a Canadian institution. It was built largely by government aid & for government purposes. It operates, to be sure, many hundreds of miles in the U. S., but the traffic in question passes throughout almost the entire distance over the Canadian line. We are satisfied that, if this Canadian corporation comes into the U. S. to compete for traffic between points in the U. S., it should be content to operate upon the same terms with its American competitors, unless those terms are clearly unjust & unreasonable. It ought not to come into this territory & insist upon a different order of things than it finds here, unless it makes its title to that demand clear beyond all question. By so doing it becomes a disturber of rates & of the railroad situation.

In considering this differential question we have necessarily relied upon the testimony, which is not altogether satisfactory. It is quite possible that some material fact may have been omitted from that testimony & not therefore considered by us. Once conceding the principle of the differential, probably the only satisfactory test of its justice is its actual results, & nothing material of that kind appeared in the present case. It seemed to us, however, upon the case as made, that no differential whatever ought to be introduced into this territory in favor of the C. P., & upon that point we have felt very little hesitation.

It would seem, however, that it should be entitled to make as low a rate as is made by any American line, & attention is called to the fact that under the operation of the trunk line differentials this would not be true of fares from New York if the present differential of the C. P. were abolished.

The New York Central is what is called a standard road, & under the rules of the Joint Traffic Association it must charge for a ticket between New York & Chicago \$3 more than