

they are accorded to certain of the trunk lines, including the Grand Trunk. In 1894 the situation of the Canadian Pacific as regards through passenger traffic had considerably improved, and a new agreement was made whereby the Canadian Pacific differentials on transcontinental passenger traffic were reduced and were confined in the east to a restricted territory. They applied to all points on the Pacific Coast. At that time there was not much travel to and from Alaska, but a few months back it became apparent that it would soon reach large proportions, and about the opening of the present year, and just as the new stream of travel was setting in, we discovered that the agreement of 1894 was being violated by our competitors. Our agents bought quantities of tickets at the agencies of the Great Northern and the Northern Pacific Companies, not only at our differential rates, but far below them. The evidence was unquestionable, and the facts as to the broken rates and as to who broke them are not now denied by anybody. We called the offending lines to account for their violation of the existing agreement, and they replied that they had decided to no longer consent to differential rates on Pacific Coast traffic, and they asked for a meeting concerning the question. We insisted on their restoration of the rates and terms of the existing agreement as a condition precedent to a meeting. They refused, and we then, after notice, published an open tariff making such rates as the provisions of the law and the interests of the Canadian Pacific seemed to require.

The question at issue at this time is not whether there shall or shall not be differential rates ; that question we are prepared to discuss on its merits when a meeting is held for the purpose of revising the agreement of 1894. The question now is whether, as a condition precedent to a meeting of the lines interested for the purpose of revising