

the merchandise is carried by the American railways to the Canadian frontier under the American customs seal, and is taken through in the same cars to any interior port of entry in Canada, without inspection or examination, other than the substitution of a Canadian seal at the frontier if the American seal is found intact.

The two governments seem to have dealt with this matter under mutual arrangement to give efficiency to the treaty provisions in question, so as to carry out in good faith the plain intent of the high contracting parties.

I submit, moreover, that there is nothing in the situation, no controlling public interest, that will justify a disturbance of the existing system, even if it should be thought that it is not technically protected by the treaty. If such disturbance should result in correspondingly unfriendly action by the Dominion Government, and divert to Canadian ports and railways exclusively, the large tonnage now carried through American ports by American railways, the loss and injury to these latter transportation interests would be much more serious than to the Canadian interests which would be prejudiced by the contemplated action of the Treasury Department. It is a well known fact that, especially during the close of navigation, the great bulk of Canadian imports pass through American Atlantic ports and over American railways. There does not appear to be any sufficient reason for depriving these American lines of their large revenues from this traffic, for the contingent effect it may have upon the general competition between American and Canadian trans-continental lines.