

# WESTERN ROADS HAVE SUFFERED.

## CANADIAN PACIFIC METHODS STRONGLY CONDEMNED IN CHICAGO.

CHICAGO, Jan. 6.—Western railroads have suffered considerably by reason of the competition of the Canadian Pacific. Their business has been diverted from them by the foreign road and carted nearly all over the great North American Continent before being laid down at the terminal point. The shipper has received low rates, but his goods have been on the road days longer than if carried by American railroads, and the money paid for freights has gone to enrich a foreign corporation already richly endowed by the Government and the country through which it runs. What makes the matter worse is that the American roads have no redress.

The Canadian Pacific has cut rates below the point where business could be done by American roads and pay expenses. It is not solely a question of keeping the inter-State commerce law. With the fourth section of that law, which relates to the long and short haul, repealed, the American roads would still be at a disadvantage. Subsidies and cheap labor give the Canadian Pacific the power of cutting tariffs to a rate which would be ruinous for American roads. The robbery has been going on for years, and the spectacle has been presented of American roads pooling their business and combining for the maintenance of rates, while a competitor, running for the most part through another country, takes freight from one part of the United States, carries it in a roundabout way through Canada to another part of the United States at a less rate than can be successfully made by railroads running directly between the same points in this country. With all the methods by which one railroad makes war on another in retaliation for cutting rates, or to prevent the reduction of tariffs, at their command, the managers of American railroads have been unable to compel the Canadian Pacific to keep up the schedule tariff. That road has been a bully among the railroads because it has had the power to be so.

Instances are given by practical railroad men, showing that in order to divert freight to its own road, the Canadian Pacific had subsidized agents handling the business, so that they gave it to the Canadian Pacific; instead of to a more direct line, at the same rate at which the latter would have taken it. The effect of this was to delay the receipt of goods by the purchaser, without benefiting either him or the shipper. The people benefited were the purchasable agents, or the stockholders of the Canadian Pacific.

E. Ripley, General Traffic Manager of the Chicago, Milwaukee and St. Paul Railroad, said today that Western roads had suffered so long from the competition of the Canadian Pacific that they had got used to it. Rates over roads between here and New-York had also been demoralized for three or four years. "It is difficult to place the blame for the cutting of rates," said Mr. Ripley. "The demoralization exists, and the Canadian Pacific is one of the chief offenders. Who started the rate cutting I don't know. I am not prepared to say that the repeal of the inter-State commerce law would help matters. The thing to do is to put a duty on goods at the frontier, and there would have to be discrimination in that. For instance, while the Consular bond shipments work to the disadvantage of American roads in some instances, they are beneficial in other cases. Some business which is done by the Grand Trunk Railroad is of this latter variety. I would make a difference in shipments made over a direct line running from one point to another in this country which in transit pass through Canada, and shipments made from one point to another in this country by a roundabout way which takes the shipment through Canada.

"There should be some way devised to protect the immigrants who are wheeled all over the Continent before being taken to their destination in this country. Immigrants landed by the steamers in New-York are taken up through Oswego, north of the chain of great lakes, to St. Paul, and then sent down to the homes they had selected in the southwestern portion of the United States. This is an imposition on the immigrant, who knows no better. He is on the road three or four days longer than he would be if he had taken passage over an American railroad, which would have taken him directly his destination. The emigrant does not get a reduced rate for making the detour through stony and snowy Canada. He pays just as much as if he went by the direct American lines. The agents who control the emigrants' business receive commissions for diverting the traffic to the Canadian Pacific. In dealing with foreign roads I would take into consideration the geography of the country. If the direct line between two points in this country ran through Canada, I would let that portion of any Canadian road covering the distance do business in such a way as to cause the least inconvenience and delay to American shippers making use of the line. The Canadian Pacific is not a legitimate short line or a direct line between any two points in this country."

The Inter-State Commerce Commission has been gathering statistics about the divergence of business from American roads by the Canadian Pacific for two or three months. Such evidence as was obtainable is in the hands of the commission, which will probably make a report embodying its findings before long. For the reason that many of the railroad Presidents and managers have made reports to the commission, they are unwilling out of courtesy to that body to say anything for publication in the newspapers until the report of the commission has been made. They hope that the agitation of the question by THE TIMES will result in some action being taken by Congress to take the Canadian Pacific out of the number of competing roads. It already does more than its fair share of business even if it were an American road, and every dollar paid into its coffers is used by it in developing interest foreign in this country. It is to be regretted that the statistics of Northwestern traffic are limited so that the commission has been unable to secure figures showing the amount of business diverted from roads running northwest of Chicago. But for years the figures were obtainable on the southwestern business, and these show a very demoralized state of the business, owing to the methods of the Canadian Pacific. These figures are in the possession of the Inter-State Commerce Commission.

Mr. Midgley, Chairman of the Western Freight Association, has been in communication with the commission for some time and has rendered it valuable assistance in showing up the Swashbuckler methods of the Canadian Pacific.

"To show you what the Canadian Pacific has done," he said today, "it is only necessary to refer to the rate of 51 cents which it made from Boston to St. Paul. The rate over American roads from Boston to Cleveland was 53 cents, and from Boston to Chicago it was 75 cents, while the rate from Chicago to St. Paul was 60 cents. You can see that they were carrying freight from Boston to St. Paul for less money than we were getting from Boston to Cleveland or from Chicago to St. Paul. Now we could not afford to meet this rate of 51 cents. It would have been suicidal. We have an agreement, made since Judge Brewer's decision on the long and short haul section of the inter-State commerce law, that we will stand together and meet any rate made by the Canadian Pacific from Boston to St. Paul which does not fall below 70 cents. But lower than that we cannot go. Such action would be taken under the Brewer decision, and we think we are able to carry it out with that decision to back us up and at the same time maintain our local tariffs. But if we cannot do so the local tariff must be maintained, even if we lose all of our Eastern through business. People think that New-York is the greatest shipping city in the country. That is not so. Pittsburg ships the most tonnage, and the local business west of Pittsburg and Buffalo is of far more importance to us than the through business from the Atlantic coast. We can better afford to let the Canadian Pacific carry the through business from Boston and New-York to St. Paul than to cut our local tariff.

*From the New-York Sun.*

The simple facts are that both the Canadian railways and their American allies are systematically engaged in violating the Inter-State Commerce act and the customs laws, to the great injury of our own transporting lines as well as of the Public Treasury.

If treaties stand in the way of putting an end to these abuses, let them be altered. If the regulations of the Treasury Department protect them, they should be changed at once, no matter who owns "Soo" stock. This is common sense and business combined, and the outgoing Administration can do no act which will reflect more credit upon it at home or which will do more to encourage the Canadian people in their effort to get out from under the control of corrupt rings and Tory domination.

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