

trade of Canada. He said: Early in the session, in fact during the debate on the Address, I called the attention of the Government to cases that had arisen in connection with the coasting trade on the Pacific Coast, and suggested for the consideration of the Government the propriety of amending the legislation touching the coasting trade of Canada as might be considered necessary to meet the cases that have arisen, or if not, of instructing the customs officers to act in connection with the enforcement of our coasting laws, so that our vessels might be treated in American waters as well and fairly as United States ships were treated in our waters. I am not yet without hope that the Government will deal with this question, and I quite realize that it would be entirely useless, at this stage of the session, for me to expect that this particular Bill could be considered in the ordinary way. Yet I propose to occupy the attention of the House for a short time in the hope that the views I submit may be considered by the Government and the Government may directly deal with the cases that have occurred. The Minister of the Interior will remember, and no doubt the Minister of Customs will recollect, that last fall difficulties in respect to the coasting laws of the United States arose. In connection with this subject, I have had the advantage of discussing it with Capt. Irving, the head of the Canadian Pacific Railway Navigation Company, as vessels under his control were directly affected. I propose, so as to be accurate, to make my statement rather full.

First, let me say that the way in which the case came up was this. The United States authorities put a new construction on their coasting laws so as to prevent British registered ships taking, for instance, Canadian goods, that is, goods freighted over the United States railway system from a United States port to another United States port. When the reference was made, directly or indirectly by Captain Irving to know if that was reciprocal, so far as he was able to learn from the Customs Department the action or want of action on the part of the customs authorities was not so interpreted. I have a copy of a letter written the Customs Department at Victoria by the manager of the Canadian Pacific Navigation Company, where he asks for information under this head, and says:

There is a law which prohibits an American vessel from carrying Canadian freight from an American port to a Canadian port whilst in transit from one Canadian port to another Canadian port by rail through the United States in bond. A similar law prevails in the United States.

And so on. That was as he understood it, but the answer he got from the collector of customs who had communicated with Ottawa was, among other things:

In reply I beg to state that I am not aware of any law which prohibits an American vessel

carrying Canadian merchandise from an American port to a Canadian port, whilst in transit from one Canadian port to another Canadian port by rail through the United States in bond.

In other words, the statute was construed as probably all of us understood it up to this time: as merely concerning a direct shipment on the one voyage from one port of the same flag to another port of the same flag by a vessel carrying a different flag. This letter from the Customs Department is dated the 19th November, and it contains the following clause also:—

The solution of the question raised by Captain Irving is not clear until it is known what facilities will be afforded for the transfer of goods at St. Michael's for Fort Cudahy without payment of United States customs duties on goods so transferred.

The whole question being connected with the Alaskan trade as it came up in the first instance. Captain Irving wrote to the Minister of the Interior on December the 9th and he again mentioned the difficulties that are arising, and the embarrassments that are being put upon Canadian vessels by this interpretation on the part of the United States customs officers, and he quotes cases where under similar circumstances the Canadian authorities do not treat American vessels in the same way. The Minister of the Interior acknowledged that letter on December 16th, and I am merely pressing these letters upon the attention of the House to show that there has been time for the Government to reach a policy on this question, and I am in hopes that either a decision has been reached to interpret our law in the way Capt. Irving mentions, or, if that interpretation be impossible, to pass a Bill this session on the lines of the legislation now going through Congress. The Minister of the Interior, in reply to this letter, wrote on December 16th:

The subject referred to is one on which I cannot give you a positive opinion at the present time. The whole subject referred to will have to be considered and dealt with in the near future, and as it does not affect my department, I am asking the Minister of Marine and Fisheries and the Minister of Customs to give it their consideration.

On December 30th, Capt. Irving wrote to the Minister of Customs:

I have to call your attention to a phase of coasting trade now carried on by the United States vessels between British ports on this coast, under a system absolutely prohibitive in the United States ports to British vessels. Canadian freight from Victoria, B.C., has been carried to Glenora, B.C., near Telegraph Creek, by United States vessels, the transshipment taking place at Fort Wrangel, a port on the United States coast of Alaska. The "Alaskan" is the name of the United States vessel which is taking these goods from Fort Wrangel to Glenora, while boats of the Pacific Coast Steamship Company, all American registered vessels, carry them from Victoria to Fort Wrangel. I refer you to section 2 of chapter 83, R. S. C., an Act