

This however is interpreted, as including American Citizens of any race, such as Filipino and Negro, and we understand that a number of men of those races are employed on United States subsidized vessels in the passenger trade to the Orient, and in addition a considerable number of Chinese, there being an allowance of 25 per cent of the crew as non-American Citizenship.

That should be $33\frac{1}{3}$ instead of 25 per cent.

In this connection it may be noted that a large proportion, nearly all we believe, of the Chinese employed on the Canadian vessels in question are "British Subjects," of Hongkong, which is a British Colony.

In conclusion it would appear that in view of the nature of the competition which must be faced by the subsidized Canadian mail and passenger service to the Orient, which is of very great advantage to Canada, to the Port of Vancouver, and to exporter and importer it is essential that no restriction such as is suggested be placed on this service, or in the alternative that the subsidy be very considerably increased.

We have reserved as our final argument the strongest plea which can be adduced—namely the probable harmful effect on Canada's relations with China if the proposed restriction were imposed. It is difficult for anyone who has not personally experienced the facts to understand the mental attitude of the Chinese toward any action which is considered by them as an affront. We in Vancouver to our cost, know this very well, for we have suffered from it. Three years ago when the Chinese imposed a boycott against Japan as a protest against her aggressive tactics, Chinese importers refused to accept shipments from Vancouver on Japanese vessels. They went further, and refused to buy Canadian Salt Herring caught and packed in British Columbia because some Japanese were engaged in the fisheries.

This boycott was carried to the unbelievable extent that, not only did the Chinese refuse to import Canadian Salt Herring, but thousands of tons which had been imported to Shanghai by British merchants could not be sold to the Chinese and rotted on the wharves; and had finally to be disposed of at a tremendous sacrifice. For confirmation of the effect of this boycott see reports of Canadian Trade Commissioner at Shanghai, or secure information from the Department of Trade and Commerce, who are well aware of the circumstances and the present condition.

Likewise, during the same boycott, the Chinese "tong," or union, in Vancouver, issued an edict that no Chinese vegetable merchant in Vancouver might import or handle any "Jap Oranges" (Tangierines) and the many retail Chinese fruit and vegetable stores throughout Western Canada have for the past three years voluntarily relegated that lucrative business to white Canadian stores.

It is almost incredible the length to which the Chinese will go, and the degree of loyalty which they give to any such actions.

We very much fear (in fact it is almost certain) that were Canada to affront China by refusing to employ Chinese on the vessels concerned, the immediate effect would be a refusal by Chinese importers and exporters to ship by such vessels and the trade would be largely lost to Canada, and certainly lost to the line.

Our statement above on this point is considered altogether too moderate by one of our prominent export merchants here, who has spent years in China and does a very large business there in export of Canadian products. He says: "You say 'We very much fear' that the result of throwing the Chinese off Canadian ships by a government regulation