

ready stated, the discrimination against Canada is apparent. American shippers have the benefit of a coastwise trade free from tolls. The Canadian shipper has no such privilege.

Looking into these various forms of discrimination to which I have referred, more closely, certain consequences are observable. First, a toll upon Canadian shipping will necessarily affect shipping as already stated, will affect the price and supply of lumber used in shipbuilding, will affect the merchants who furnish supplies for vessels engaged in the coasting trade, will affect the employment of sailors and other labourers necessary for every voyage, and these are all important considerations. Besides, there is a growing trade now which is really a coasting trade between the eastern and the western ports of Canada. Mr. E. R. Johnson, to whom I have already referred, states that the direct trade between Canadian ports and British Columbia in 1910 amounted to 118,407 tons, and between the Atlantic and Gulf ports of the United States and British Columbia, to 699,075 tons.

Shortening of the distance between Montreal, Halifax and Vancouver will, no doubt, greatly increase that trade. Why should we submit to its being hampered by a discrimination which I am quite certain was never intended when the Hay-Pauncefote Treaty was negotiated. Senator Lodge was good enough to say that Canadians could avoid the tolls on the coastwise traffic by shipping by American railways to an American port, and thence, by a coasting vessel to an American port on the opposite coast, and thence, by American railways to its destination in Canada. While Senator Lodge is entitled to our thanks for thus relieving us from an apparent difficulty, he has evidently forgotten that the relief proposed is substantially a contribution to American railways and American shipping at the expense of Canada.

Having stated the objection which I think can be fairly urged against the action of the United States Congress, let me briefly refer to the Treaty of Washington of 1871, under which the United States government alleged that American shipping was un-

fairly treated by the government of Canada. This Treaty contained the following article:

Art. XXVII.—The government of Her Britannic Majesty engages to urge upon the government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence, and other canals in the Dominion on terms of equality with the inhabitants of the Dominion, and the government of the United States engages that the subjects of Her Britannic Majesty shall enjoy the use of the St. Clair Flats canal on terms of equality with the inhabitants of the United States, and further engages to urge upon the state government to secure to the subjects of Her Britannic Majesty the use of the several state canals connected with the navigation of the lakes or rivers traversed by, or contiguous to the boundary line between the possessions of the high contracting parties on terms of equality with the inhabitants of the United States.

Acting, as it believed, within its rights under the Washington Treaty, and for the purpose of meeting the expenses of working the Welland Canal System of Canada, the Canadian government imposed a toll of 20 cents per ton on all freight passing through the Welland canal, whether carried in American vessels or Canadian vessels. In the case of freight east bound it was provided that a rebate of 18 cents per ton should be allowed if the boat went as far as Montreal, and that if on the course, say from Duluth, Chicago or any other American city, cargoes should be unloaded and load again on Canadian territory, the rebate would be allowed. The American government objected to this rebate as a discrimination against American vessels carrying freight to the port of the United States on the Atlantic seaboard or on Lake Ontario.

On this subject President Cleveland in a message to Congress on August 23rd, 1888, said:

I desire to call the attention of Congress to a subject involving such wrongs and unfair treatment to our citizens as in my opinion require prompt action. The navigation of the Great Lakes and the immense business and carrying trade growing out of the same have been treated broadly and liberally by the United States government and made free to all mankind, while Canadian railroads and navigation companies share in our country's transportation upon terms as favourable as are accorded to our own citizens. The canals and other public works built and maintained by the government

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