

HON. MR. KAULBACH—It seems that this arrangement being entered into with the Allan Company is only for a year.

HON. MR. POWER—It is no matter if it is only for six months.

HON. MR. KAULBACH—I agree with my hon. friend that it is discriminating against our own ports, and favoring American ports at our expense, to allow these subsidized steamers to carry freight to foreign ports for less rates than they carry to our own. I hope the day will soon come when we will not subsidize any line of steamers that will not make their terminal port in Canada. I believe that so far it is no fault of the Government that they have not succeeded in doing so, but I trust that some means will be found by the Government to secure better facilities for transporting goods, not only through Canada, but also from Halifax to the United States—that the Government will soon find a way to have a terminal port in Canada for these subsidized lines.

HON. MR. WARK—There are reasons why the steamers should charge higher rates for calling at way ports than carrying through freights to their terminal port. They have to compete with ships carrying to Boston, and they go to ports where they get return cargoes, and these things enter into the consideration of freight rates with shipowners. If they have all the freight they can carry for Boston it is inconvenient for them to take any freight for Canada and leave freight for Boston behind. I do not say that they ought not to carry freight lower to Canadian ports than they do, but this fact should be taken into consideration, that these vessels have to compete with other ships going direct from Liverpool to United States ports, where they are sure of return freights at the ports where they discharge cargo.

HON. MR. ABBOTT—I am prepared to answer my hon. friend's question, but I think I can hardly allow the statement made with regard to freights to pass unchallenged, because the Government made very careful inquiry into that subject last year, and they were informed, and, as they believe, on the very best authority, that there was no discrimination or distinction made between the two ports, and they

know freight was carried to Portland, which was the ultimate destination of these ships at the time, at a higher rate than to Halifax. The freight on goods carried by the lines to reach points in the interior, either in the United States or in Canada, *viâ* these two ports, costs more by Halifax than by Portland. But the reason of that is not an extra charge by the steamships; the extra charge is by rail. In one case they had 300 miles to travel by rail after landing, and in another case they had 800 miles to travel by rail after they reached land, and the discrimination against our own ports was made by the railways, necessarily, because of the greater distance of haul by land. The only way by which freight can be carried to points in the interior at equal rates would be for the steamships to carry the freight at an enormously less charge to Halifax than to Portland. That the Government found to be the actual state of the case. As respects the particular case which my hon. friend mentioned, if he will send me a note of it I shall have particular enquiries made into it, because the Government is most anxious to find if there has been any case of discrimination, and will be glad to know what the facts are.

HON. MR. POWER—If the Government will communicate with the Board of Trade at Halifax they will get the particulars.

HON. MR. ABBOTT—With regard to the question my hon. friend puts, it is the intention of the Government to take care in framing the contract to make such provisions as will prevent discrimination against Canadian ports.

HON. MR. OGILVIE—Is it not possible that a mistake may have occurred there altogether? The subsidized line of steamers did not take freight to Boston at all—it is another line of steamers.

HON. MR. ABBOTT—The statement has often been made that discrimination is shown in the rates charged by the subsidized steamers that call at Halifax and go on to Portland. The Government took every pains to ascertain what the facts were about this alleged discrimination in freight rates, and they became satisfied that it did not exist, as far as mail steamers were concerned.