

1. Under the law of 1881 the bounty for the construction of vessels in France was 60 francs per ton gross measurement on iron or steel vessels; 20 francs per ton on wooden vessels of 200 tons or above; 10 francs per ton on wooden vessels of under 200 tons; and 40 francs per ton on composite vessels.

Under the new act the bounty on vessels of iron or steel whether sailing or steam is increased to 65 frs. per ton, that on wooden vessels of 150 tons or above to 40 frs. per ton, and that on wooden vessels under 150 tons to 30 frs. per ton.

There are also increases in the bounty in connection with the machinery used on board the ships.

By the legislation in both years, the bounties are only paid on vessels actually built in France.

2. Under the law of 1881 a navigation bounty was granted, as already mentioned, as follows:—

1 fr. 50 c. per registered ton, and per thousand miles run, for vessels fresh off the stocks; to decrease annually by $7\frac{1}{2}$ c. for wooden vessels; $7\frac{1}{2}$ c. for composite vessels; and 5 c. for iron vessels.

Only one-half of this bounty was allowed for ships built abroad.

By the law of 1892 the bounties are charged as follows:

1 fr. 10 c. for steam vessels, decreasing year by year from the date of construction, by 6 c. if the vessel be of wood and 4 c. if the vessel be of iron or steel.

1 fr. 70 c. for sailing vessels, decreasing year by year from the date of construction by 8 c. if the vessel be of wood and 6 c. if the vessel be of iron or steel.

By the new law, the long voyage bounties on ships built abroad are abolished.

Formerly the navigation bounty was only granted to vessels engaged on long sea voyages. It is now, however, given to the extent of two-thirds to vessels engaged in the international coasting trade.

Vessels engaged in the French coasting trade or for fishing, and those belonging to subsidized lines as well as yachts are ineligible for the navigation bounty.

Under the law of 1881, the navigation bounty was permitted to be increased by 15 per cent for steamers built according to plans approved by the department of marine. Under the new law, the increase is to be 25 per cent. As explained, however, these navigation bounties do not apply to vessels of subsidized lines. The navigation bounties are granted with the condition that the master of the vessels participating in them are obliged to carry, free of charge, any mail matter as required by the postal authorities, as well as any post-office agent deputed to accompany the despatches.

The laws relating to shipping bounties are of course in the nature of domestic legislation and it is very certain that the French government would not consent to their modification in favour of any one country. They are separate and distinct from the operation of the import tariff and are directed to the encouragement of the ship-building industry in France.

The principle of the bounty on the construction of vessels has been recognized in France for many years. The new legislation increases the bounty.

The navigation bounty has also been granted since 1881 and the effect of the new legislation is to increase the bounty on sailing vessels and to decrease it on steam vessels.

It is not likely that the withdrawal of the navigation bounty will have any influence upon the sale of Canadian ships in any case. Under the law of 1881 the bounty upon a Canadian wooden vessel of 200 tons purchased in France, supposing that during the first year she went 10,000 miles in foreign trade would be 300 dollars for the first year, and this would be subject to a decrease every year, as already mentioned. If engaged in the coasting trade she would not have got any bounty at all.

Canada has sold hardly any vessels in France for a great many years, although during the period from 1882 to 1892 the tariff was only 2 frs. a ton both under the conventional and general tariff. Under the new tariff of last year, the general tariff was increased to 5 frs. per ton; the minimum tariff remained 2 frs. The effect of the new treaty, therefore, is to place Canada in as favourable a position as any other country in the world with regard to the sale of ships in France; a position she would not have occupied had she remained subject to the general tariff in respect to wooden ships.