

will not affect those. How many new ones will have to be appointed, it is difficult to say.

Mr. BLAKE. As the new appointments get their increase and their salaries run over those of the old and faithful public servants, the hon. gentleman will come down and appeal to us, with that good which is always beaming in his countenance, to place these old servants on an equal footing with the new ones.

Mr. CARLING. There are very few old servants whose salaries are not over \$360, as they get the statutory increase of \$50 a year.

Mr. BLAKE. What will be the additional charge on our revenue in the case of assistant post office inspectors.

Mr. CARLING. I cannot say for the moment. There are some nine or ten divisions, and the post office inspector in each division has an assistant.

Superintendents of letter carriers struck out; and resolution, as amended, concurred in, and ordered to be reported.

SUPPLY.—FLAG TREATY, UNITED STATES AND SPAIN.

Sir LEONARD TILLEY moved that the House again resolve itself into Committee of Supply.

Mr. VAIL. Before you leave the Chair, Mr. Speaker, I desire to refer to a matter of some importance affecting the trade of Canada. I wish to make a simple statement with reference to the Flag Treaty entered into between the United States and Spain, which will occupy only two or three moments, and I am, though it is somewhat irregular, sure the House will permit me to do. A treaty, which is called a "Flag Treaty," has recently been made between the United States and Spain placing the American flag in Cuba and Porto Rico on the same footing as the Spanish. It appears that formerly goods by Spanish flag paid 10 per cent. more duty in United States than by other vessels. The American Government have agreed to abolish this 10 per cent., and Spain in return admits American products under the American flag on same terms as their own. This arrangement applies to Cuba and Porto Rico only, and on the general Tariff makes a difference in favour of the American flag of near 20 per cent. In Porto Rico the duty on our fish by our own vessels is 55 cents per 100 pounds, while American fish by American vessels pay only 42 cents, a difference of 13 cents per 100 pounds, in favour of the American flag. In Cuba it is still more, the difference being 27 cents per 100 pounds in favour of the American flag. In Porto Rico British vessels pay just double tonnage duty, say \$1.25 per ton for discharging cargo, and \$1 per ton; while the Americans by this treaty will only pay 62½ cents for discharging and 50 cents per ton for loading. Our annual shipment of codfish to Porto Rico is about 150,000 quintals, besides large quantities of pickled fish, and they are in fact our best and largest customers. We also ship largely to Cuba, and the demand there is steadily increasing, so it is important there also. This treaty only applies to fish shipped direct from the United States in American vessels, and consequently fish shipped by American steamers from Halifax to Cuba *via* New York are subject to the same duty as if shipped in British vessels. Then, again, the Americans have been for some time complaining of the Spanish Consular charges for papers, which is 10 cents per 1,000 kilos, equal to one ton. They considered this an export duty imposed by Spain on United States products, and should not be allowed, and it is expected that this will also be removed. If so, our merchants should be relieved of this charge as well. It will therefore be seen that this is a very important matter, and places our fish dealers at a great disadvantage to the

Americans, and the result of it will be, that our trade will be ruined and the Americans will be in future the suppliers of these Islands with all the fish they require. I hope the Government will, after this statement, take the matter into their consideration and communicate the facts to the British Government, and see if we cannot be placed on the same footing as the Americans are. It is a very important matter, and I hope will receive early attention.

Sir LEONARD TILLEY. The attention of the Government has been called to this subject previous to the statement of the hon. gentleman. We have obtained some information with reference to the effect of this treaty or arrangement between the two countries, but, as far as we have received it, if it includes the question of tonnage, it does not bear out the statement the hon. gentleman has made, though I dare say he may be right. The arrangements between Spain and the United States were not really as favourable as those between Canada and Cuba or Porto Rico. There were charges made that did not exist here. They have been removed and the United States have been placed in the third list of duties. The Government are quite alive to the importance of having our trade on as good terms as that of the United States, and no time will be lost in endeavouring to bring about such arrangements as will place us on quite as favourable terms as they have.

Mr. MACKENZIE. What treaty is it that governs the traffic at present? Is it a recent treaty?

Sir LEONARD TILLEY. It is an arrangement made, such as this, I presume. It is not a treaty.

Mr. MACKENZIE. It is independent of any commercial treaty?

Sir LEONARD TILLEY. Yes. This is an arrangement by which this anomalous state of things is to be removed, and, as far as I have seen the correspondence, they propose to go still further and make treaty arrangements even wider and broader in their operation than those referred to by the hon. member for Digby (Mr. Vail). This is an arrangement made by the representative of the United States and the Spanish authorities, placing the imports entering into Cuba or Porto Rico under what is called the third list. There are four rates of duties and charges, and they are now placed in the third column. The exact effect of this we have not yet been informed of.

Mr. MACKENZIE. But British subjects have a right, have they not, under the existing commercial treaty, to be placed on an equal footing with the most favoured nation? Is not that the case?

Sir LEONARD TILLEY. No; I think not.

TRADE WITH NEWFOUNDLAND.

Sir RICHARD CARTWRIGHT. I want to enquire of the hon. gentleman—he can answer it now or on Monday, as suits his convenience—what is being done with the Government of Newfoundland. They have been making of late some serious complaints as to the effect of our inspection, if I am correctly advised, of their main export to us, and have passed, or threatened to pass an Act—I think they have actually passed it—which enables them practically to retaliate on us to a considerable extent. No doubt, that has not escaped the hon. gentleman, but it would be of interest that he should make a statement on the subject at an early date.

Sir LEONARD TILLEY. The subject has been receiving only this day the consideration of the Government, and I think a communication has been sent within the last two or three hours to Newfoundland, and I hope on Monday to be able to make the statement which the hon. gentleman has asked that I should make.