No. 3.

Sir E. Thornton to the Earl of Derby.—(Received May 10.)

My Lord, Washington, April 28, 1874.

DURING the interview which Mr. Brown and I had yesterday with Mr. Fish, the latter alluded to a letter which he had received in 1871 from the Governor of the State of New York relative to the provisions of the XXVIIth Article of the Treaty of Washington, relating to the navigation of the State canals.

In my despatch to Earl Granville of the 15th January, 1872, I informed his

Lordship that Mr. Fish had read to me the above-mentioned letter.

Mr. Fish yesterday expressed his belief that he had sent me a copy of that letter, but, on my replying that he had not done so and expressing a wish to have it, he promised to send it me. In answer to my question whether the Governor had obtained any expression of opinion upon the subject from the State Legislature of New York, he said he did not know, but would make inquiries.

I now have the honour to inclose copies of Mr. Fish's note to me and of the letter of the Governor of New York, dated December 4, 1871, upon the subject of the canals

of that State.

I shall also forward copies of these documents to the Governor-General of Canada.

> I have, &c. (Signed) EDWD. THORNTON.

Inclosure 1 in No. 3.

Mr. Fish to Sir E. Thornton.

Sir, Department of State, Washington, April 27, 1874. I HAVE the honour to inclose herewith, in compliance with your verbal request, a copy of a letter addressed to the President by the Governor of the State of New York,

under date of December 4, 1871, upon the subject of carrying into effect the provisions of the XXVIIth Article of the Treaty of Washington.

I have, &c.

(Signed)

HAMILTON FISH.

Inclosure 2 in No. 3.

Mr. Hoffman to President Grant.

State of New York Executive Chamber, Albany,

Sir, December 4, 1871.

I RECEIVED this morning your letter of the 29th November, transmitting to me a copy of a Treaty, concluded on the 8th of May last, between the United States and Great Britain, calling my attention to the XXVIIth Article thereof, whereby the United States engages to urge upon the State Governments 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 inhabi tants of the United States, and requesting me to bring the provisions of this Article before the Legislature of this State, now about to convene, and to recommend to it such legislation as will secure to the subjects of Her Britannic Majesty in North America the use of the canals of this State on equal terms with our own citizens.

I have caused inquiries to be made of those charged with the administration of the canals of this State, and learn from them that they know of no restrictions now to be found in the laws of this State upon the equal use of the canals by British subjects and American citizens; that there are no restrictions upon foreigners being the owners, in part or in whole, of boats entitled to navigate our canals, nor would a boat owned wholly in Canada be forbidden the use of our canals, or be subjected to other tolls or other regulations than those imposed upon boats owned in our own State.

I shall, nevertheless, with great pleasure call the attention of the Legislature to