

Lake Champlain, was required to report and pay tolls at four places, at each of which a 'let pass' was issued. Now it has only to report and pay tolls once. This saves the ship master a great deal of trouble and avoids delay, while it correspondingly diminishes the work of the collector.

It follows, however, that the returns of the Canal at which the ship's report is made will include the tolls and tonnage, earned by and due to other canals. If it be deemed advisable, the earnings of each canal can be duly apportioned in the books of the Department. But as this has never been done, as regards the Welland and St. Lawrence canals, it has not been considered necessary with reference to the others. The apparent earnings of the Welland Canal have always included a considerable portion of what is strictly speaking, earned by the St. Lawrence Canals, and during the present season the apparent earnings of the Grenville Canal include a portion of the earnings of the St. Anne Lock, and of the Lachine and Chambly Canals.

The transshipment of grain at Kingston during the present season, assumed very large proportions. Of the grain there transhipped a large quantity has paid Welland Canal tolls, and is therefore entitled to free transit to Montreal. Since the construction of the Welland Railway, many vessels have discharged a part of their cargoes at Port Colborne, which they receive again from the railway wharf at Port Dalhousie; others have discharged their entire cargoes at Port Colborne and these cargoes have been re-shipped into other vessels at Port Dalhousie, after passing over the Railway. Of the grain thus brought to Lake Ontario, the greater part has gone to Kingston. These transactions have caused some difficulty in discriminating between the grain that is entitled to free transit through the lower canals and that which is liable to toll, and there has in consequence arisen a necessity for determining at Kingston, where the final transshipment takes place, and where the necessary information can alone be had in a reliable shape, what grain is liable to toll and what is entitled to free transit.

Until the present year this has not been definitely determined until after the grain had passed down to Montreal, and there are reasons for believing, that in some cases, grain which had never paid Welland Canal tolls also escaped the payment of St. Lawrence tolls.

To prevent these possible evasions of toll, it was determined to make use of the Inland Revenue Officers at Kingston for the purpose of adjusting claims to free transit. They were therefore authorized to issue St. Lawrence Canal let-passes,—free to such freight as was ascertained to be entitled to free transit, and for such freight as is liable to tolls the tolls have been made payable at Kingston or Montreal, at the option of the forwarder.

The transshipment of grain at Port Colborne has now become an important feature of the trade. During the three months ended on the 30th June, 1871, 133 vessels carrying 78,425 tons of grain, transhipped the whole or a part of their cargo. Of these forty transhipped their entire cargoes amounting to 24,037 tons. The remaining ninety-three transhipped so much as would enable them to pass the canal with the remainder. These partial transhipments amounted in the aggregate to 11,975 tons. The whole of the grain thus transhipped, passed over the Welland Railway, and was again placed on board lake vessels at Port Dalhousie, so that of the 78,425 tons of which those cargoes consisted 42,413