

On the 8th February last the Congress of the United States passed an Act, No. 11, amending "Existing Customs and Internal Revenue Laws, and for other purposes," the 4th section of which contains the following provision:—

"That cans or packages made of tin, or other material, containing fish of any kind, admitted free of duty under any existing Law or Treaty, not exceeding one quart in contents, shall be subject to a duty of $1\frac{1}{2}$ c. on each can or package, and when exceeding one quart shall be subject to an additional duty of $1\frac{1}{2}$ c. for each additional quart or fractional part thereof."

It seems clear, from the introduction of the word Treaty, that this proviso expressly defeats the construction hitherto placed upon the XXIst Article of the Treaty, the tin cans are necessary for the preservation and transportation of the fish, and on removal of the contents the cans have no value whatever; it is obvious therefore that the imposition of an arbitrary duty on the cans is equivalent to a duty on the fish, and in the opinion of the Committee is a violation of the XXIst Article of the Treaty.

The Committee are disposed to think that the proviso in the Act of Congress referred to must have been inadvertently inserted, and without considering the restriction it would impose on the fair and reasonable interpretation of the Article in the Treaty, as it is impossible to believe that it was intended to violate express Treaty stipulations, and they trust that when the subject is brought under the notice of the United States' Government, the just grounds of complaint on the part of the Dominion Government will be removed.

The Committee, therefore, advise that a copy of this Minute, and also a copy of the Minute approved on the 7th April instant, with the letters and documents therein referred to, be transmitted by your Excellency to the Right Honourable the Secretary of State for the Colonies, with a request that the attention of the Government of the United States may be called to the subject, and that it may be moved to adopt measures for the removal of the duty complained of.

Certified,
(Signed) W. A. HIMSWORTH,
Clerk Privy Council, Canada.

Inclosure 3 in No. 8.

Sir E. Thornton to the Earl of Dufferin.

My Lord,

Washington, April 12, 1875.

I HAVE the honour to acknowledge the receipt of your Excellency's despatch of the 8th instant, forwarding a Report of a Committee of the Privy Council relative to the collection of duty by the United States' Authorities upon tin cans containing fish, being the produce of the Canadian Fisheries.

Although it is not so stated in the declaration of the Master of the "Lizzie Dakers," or in Mr. Bourne's letter of the 18th of February last, I presume that the duty of 35 per cent. *ad valorem* demanded by the Collector at Philadelphia was upon the tin cans, and not upon the lobster which they contained; for 35 per cent. is the duty imposed by the Tariff upon manufactures of tin, whilst I find no such duty upon preserved lobster, the duty on the latter being, as I understand the Tariff, 50 cents. per 100 lbs.

With regard to the duty on the tin cans I must make further inquiries, and shall then probably make a verbal representation to Mr. Fish upon the subject. But, as far as I can as yet learn, the general rule seems to be to levy duties upon the vessels, of whatever sort they may be, which contain the duty-free articles, the difference however being that these vessels can generally be used again, whilst the tin cans, when once opened, can be of no use.

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