

Governments. The complaint of the United States is fully set out in the message of President Harrison to the Senate, of date June 20th, 1892, and accompanying documents. He says :—

That these orders as to canal tolls and rebates are in direct violation of article 27 of the treaty of 1871 seems to be clear. It is wholly evasive to say that there is no discrimination between Canadian and American vessels ; that the rebate is allowed to both, without favor, upon grain carried through to Montreal, or transhipped at a Canadian port to Montreal. The treaty runs :— ‘To secure to the citizens of the United States the use of the Welland, St. Lawrence and other canals in the Dominion on terms of equality with the inhabitants of the Dominion.’ It was intended to give the consumers in the United States, to our people engaged in railroad transportation, and to those exporting from our ports equal terms in passing their merchandise through these canals. This absolute equality of treatment was the consideration for concessions on the part of this Government, made in the same article of the treaty, and which have been faithfully kept.”

We need not quarrel with President Harrison upon his interpretation of clause 27 of the treaty. In so far as Canada chose to act upon the representation of Great Britain, she was bound to give equality of terms, and any departure from that condition constitutes an infraction of the spirit of the compact, and may fairly be made a ground of complaint. The American contention is for equal terms to consumers in the United States, to those engaged in railway transportation, and to exporters. Equality of terms has been granted, rejoins the Canadian Government. No consumer in Canada enjoys the benefit of the canal tolls rebate; the grain must be exported to become entitled to the concession. No railway in Canada enjoys the benefit of the rebate; the grain must be carried down the whole length of the Welland and St. Lawrence canals and exported by vessel from Montreal to earn the reduction of tolls. The conditions governing

the rebate are these :—(1) the grain must have been originally shipped for Montreal, or for some port east of Montreal, and actually sent out of the country: (2) it must be carried through the Welland and St. Lawrence canals, and (3) trans-shipment *en route* must be made at a point within the Dominion. Subject to these regulations, the rebate is extended to American vessels and cargoes equally with Canadian vessels and cargoes. The United States Government claims, however, that grain passing through the Welland canal to Oswego and Ogdensburg for local consumption, or rail transportation ought to receive the rebate. Why? There is no stipulation of that kind in article 27. The essence of the engagement is equality of terms, and so long as Canadian citizens are compelled to pay full tolls on grain carried through the canals for local consumption, and on grain transported by rail through Canada after having passed through any portion of the canals, so long must citizens of the United States be subject to the same conditions. No argument can be sustained upon the point that Canada has violated the letter of clause 27 in this respect. Putting aside altogether as paltry and contemptible any contention that might be based on the fact that Canada has never by legislative enactment consented to give equality of treatment to Americans in her canals, it is indisputable that the artificial water-way between Lake Erie and Montreal is open and accessible to American vessels upon identically the same terms as to Canadians.

There are those, however, who believe that the interpretation of treaty engagements ought not to be made by the rigid rule of three, and that the spirit as well as the narrow letter of the compact should be observed. In this view a point may be made against the Dominion