

States has not prevented an official statement on the subject of the negotiations by the Ministry of the Dominion:

And, whether Her Majesty's Government look forward to being able to make any statement to the House upon the matter in the course of the present Session.

*Answer.*

The Commissioners originally agreed that their proceedings should be secret, but the desire was expressed that one of the Protocols should be published, and this has been done.

Her Majesty's Government hope to be in a position to make a statement to the House before the close of the present Session.

No. 13.

*Mr. Tower to the Marquess of Salisbury.—(Received July 8.)*

(No. 186. Confidential.)

My Lord,

*Washington, June 29, 1899.*

WITH reference to your Lordship's despatch No. 313 of the 30th December, 1898, on the subject of the Ontario Log Export Embargo Law, I have the honour to transmit copy of a letter, marked Private and Confidential, which I have received from Mr. John Charlton, M.P., one of the Canadian Members of the Joint High Commission, which is at present adjourned.

I inclose copy of the reply which I have this day returned to Mr. Charlton.

I have not communicated on the subject with the Governor-General of Canada.

I have, &c.

(Signed) REGINALD TOWER.

Inclosure 1 in No. 13.

*Mr. J. Charlton to Mr. Tower.*

(Confidential.)

My dear Mr. Tower,

*House of Commons, Ottawa, June 26, 1899.*

THE Ontario Log Export Embargo Law is a menace to success in the negotiations before the Joint Commission, so far at least as reduction or removal of lumber duties is concerned. I fear that American Commissioners will feel that they cannot concede free lumber or reduction to a duty of one dollar, lest such action should expose them to the charge of having been coerced by the Ontario law. If the influence of the law were not a factor, the prospect for getting a favourable settlement of the lumber question will be very much better than when the Commission adjourned in February, for several reasons which I need not dwell upon.

A suit was entered last week by Michigan lumbermen in the Ontario Courts to test the constitutionality of the law. Decision will not be reached in time to affect results of negotiations this year, I fear.

The plain road out of the difficulty through the disallowance of the Act by the Dominion Government cannot now be entered upon, but a remedy is still available. The Ontario Government has power, by Order in Council, to suspend the Act. The pendency of a suit to test its constitutionality, and also of negotiations looking to the settlement of the lumber question, and the influence of more friendly feelings upon all questions at issue render such a step not only proper but necessary. If this step were taken, say by the 15th July, or even a few days later, it would possibly relieve the situation and very decidedly improve the prospects of the Commission. Michigan lumbermen would then be able to get a portion of their sawlog stock out before the close of the towing season, 15th September. The tension would then be relieved and the bitter feeling that will make its influence felt when negotiations are renewed, would subside.