

WASHINGTON, 19th May, 1873.

"MY LORD,—With reference to your Lordship's despatch, No. 20 of this series, and of the 16th ult., I have the honor to inform you that I have made enquiries with regard to the regulation of the United States Treasury Department, which imposes upon Canadian vessels the obligation to touch at Duncan City before entering lake Michigan for commercial purposes.

"I find that this measure was not adopted during the recent civil war, but that in October, 1866, it was first ordered that all merchant vessels, both those of the United States and Canada, should, before entering Lake Michigan, touch at Mackinaw on the north side of the Straits of that name, and should there exhibit their manifests to the Collector of Customs who was to take a copy of them and countersign the originals. The Collectors at the ports in Lake Michigan, were directed to see that the manifests were so countersigned, and not to admit vessels to entry unless this formality had been observed.

"It was subsequently found that Duncan City would be a more convenient port for the above purpose, and in May, 1867, it was ordered that at this port the formalities which had been previously carried out at Mackinaw should be observed.

"I understand the prevention of smuggling was the principal object of the regulation, and that, as it has proved very effective, it is not likely that the Treasury Department will consent to its being annulled.

"I have, &c.

(Signed.)

EDWARD THORNTON.

"TO EARL GRANVILLE, K. G.

With the greatest deference to official authority, your Council were nevertheless unable to comprehend how calling at an out-of-the-way port like Duncan City could in any wise prevent smuggling,—except by the merest *possibility* on Lake Michigan where Canadian contraband traders (if any such there be) would be least likely to show themselves. Being informed, however, that both United States and Canadian vessels are subjected to inconveniences in the manner referred to, the recent delegation from this Board to Chicago brought the matter to the notice of a Committee of the U. S. National Board, and the result was the adoption of the following preamble and resolution:—

WHEREAS, The representatives of the Dominion Board of Trade have brought to the notice of this Board certain regulations of the U. S. Treasury, requiring all Canadian vessels and American vessels from Canadian ports, entering Lake Michigan, to report at Duncan City, and there procure a clearance for the port of destination, and

WHEREAS, These regulations are felt by vessel owners, and others interested in navigation to be unnecessarily onerous and burdensome to trade, causing serious delay to vessels in the prosecution of their voyages, therefore.

*Resolved*, That the Executive Council be instructed to lay the subject before the Secretary of the Treasury, and respectfully request him, if not inconsistent with the interests of the public revenue, to allow all vessels to proceed direct to ports of destination on Lake Michigan, without being compelled to report at any intermediate port.