

*Confidential.*

**Report** *on the subject of the Red River of the North.*

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THE undersigned, to whom has been referred the despatch of Her Majesty's Minister at Washington to His Excellency the Governor General, dated August 4th, 1879, and also that of the Secretary of State for the Colonies to the Governor General, dated October 1st, 1879, on the subject of the navigation of the Red River of the North, has the honor to report that, up to April last, the Government of Canada had, for a number of years, permitted American vessels to navigate freely that portion of the Red River within Canadian territory, and to land merchandise destined for any port in Canada on the river, and had formed the just expectation that similar privileges would be allowed by the Government of the United States to Canadian vessels on that portion of the river lying within the territory of that country. The reciprocity desired, however, in this respect was never attained, and the case of the steamer "Alpha," in 1873, and the steamer "Prince Rupert," in 1875, (mentioned in the despatch of Sir Edward Thornton of the 3rd of September of the latter year to Mr. Hunter, acting Secretary of State), were instances brought under the notice of the Government of the United States, at the request of that of Canada, of vessels under Canadian Registry refused the free navigation of the Red River within the United States, whilst American vessels were then, and had been for years, enjoying that privilege on that portion of the river lying north of the boundary line. It was after patient effort in this direction, and a long and unavailing continuance of the privileges to American vessels on the part of Canada, that the Government of this country caused the instructions conveyed by the circular of the 3rd of April last (referred to in Mr. Evarts' despatch of the 30th July) to be issued. It is to be borne in mind that, under these instructions, American vessels upon the Red River have only been placed upon the same footing on that part of the river lying in Canada which Canadian vessels, in spite of our example and efforts, have long occupied on the portion of the river lying within the United States. Mr. Evarts, in his despatch to Sir Edward Thornton, above referred to, complains of this treatment, and contrasts it with the privilege said to be granted to Canadian vessels navigating that portion of the river lying within the United States by Section 3102 of the Revised Statutes of that country, and urges also that the order to the Canadian Custom House officers "is liable to come in direct conflict with the stipulations of "the second clause of Article XXX. of the Treaty of Washington, concluded May "8th, 1871, which permits citizens of the United States to carry in United States "vessels, without payment of duty, goods, wares, or merchandise from one port or "place within the possessions of Her Britannic Majesty in North America to another "port or place within the said possessions: Provided, that a portion of such trans- "portation is made through the territory of the United States by land carriage and "in bond, under such rules and regulations as may be agreed upon between the "Government of the United States and the Government of Her Britannic Majesty."

With reference to the last of these reasons, based upon the Thirtieth Article of the Treaty of Washington, the undersigned begs to observe that the language of the clause seems to establish its inapplicability to the case under discussion, as no part of the transportation in vessels affected by the order is made by land carriage through territory of the United States, but the vessels are loaded at a port in that country with merchandise to be delivered without land carriage at a port in Canada.

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