

while the Canadian Government has been faithfully acting upon the spirit of the Treaty for a period of over three years.

I am to request that you will be good enough to take such action in the matter as you may deem expedient.

I have, &c.
(Signed) DUFFERIN.

Inclosure 2 in No. 5.

Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General, on the 12th November, 1874.

THE Committee of the Privy Council have had under consideration a Memorandum, dated 11th November, 1874, from the Honourable the Minister of Customs, stating that he has recently learned that the engagements entered into between Her Majesty's Government and that of the United States in reference to the mutual use of the canals of both countries by the vessels of the United States and Canada respectively, as contained in the XXVIIIth section of the Treaty of Washington, have not as yet, on the part of the United States, been carried into practical effect; but that while all the Canadian canals have been freely opened to their vessels on payment of the same tolls and charges as are exacted from British or Canadian vessels, the latter are still entirely excluded from the use of any and all of the canals within United States' territory, except the Sault Sainte Marie Canal.

That thus while barges and other vessels, with or without cargo, clearing from ports upon the Hudson River are allowed to pass through the Champlain Canal to the St. Lawrence, and thence from Montreal through the Lachine Canal, and through the canals on the Ottawa to the city of Ottawa, or any other destination, British or Canadian vessels loading at Ottawa, or at any other Canadian port, or even in ballast, are prohibited from passing Whitehall through the Champlain Canal to the Hudson River, in the State of New York; and that the same prohibitory policy obtains generally in reference to the use of the Erie, and other canals connecting navigable waters within the territory of the United States.

That considering that over three years have passed, during which period the Canadian Government has been faithfully acting upon the spirit of the Treaty, permitting the use of their numerous canals in as full and unrestricted a manner as that accorded to their own vessels; and this liberal policy having met with no reciprocity on the part of the Government of the United States, he recommends that the British Minister at Washington be communicated with, with the view of ascertaining whether the Government of the United States will endeavour to procure for British and Canadian vessels the use of their canals, according to the said XXVIIIth section of the said Treaty of Washington.

The Committee of Council concur in the foregoing recommendation of the Minister of Customs, and submit the same for your Excellency's approval.

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

Inclosure 3 in No. 5.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, November 23, 1874.

SINCE the signature of the Treaty of May 8th, 1871, between the United States and Great Britain, you have on several occasions been good enough to inform me that in conformity with the engagement contained in the XXVIIIth Article of that Treaty the President had made a representation to the Governor of the State of New York, urging that the use of the canals in that State should be allowed to the subjects of Her Britannic Majesty on terms of equality with the inhabitants of the United States.

You also communicated to me the nature of his Excellency's reply to the effect that he believed that there were no laws of the State of New York which prohibited the equal use of the canals by British subjects and American citizens, and subsequently in compliance with my wish have had the kindness, on the 27th of April last,