

sels of the United States, and the difference in the rates, therefore, constitutes a direct discrimination against them.

It has been shown to this Department that the rebate on a cargo of 25,000 bushels of grain, exported via the St. Lawrence River, amounts to \$140; that is, the wheat can be exported via the river for that amount less, so far as the tolls in question are concerned, than it could be delivered at Oswego for exportation via the Oswego and Erie Canals. Few, if any, American vessels are engaged in carrying wheat for exportation via the St. Lawrence River.

Tolls might be imposed on all vessels carrying grain through both the Sault Ste. Marie Canal and the Welland Canal, and a rebate be allowed at American ports east of the Welland Canal.

The agreement in the treaty as to the use of the St. Clair Flats Canal by Canadian citizens on terms of equality with citizens of the United States, seems to have been absolute, while the agreement as to the use of the Welland Canal by citizens of the United States was conditional upon the adoption of the regulation by the Canadian government. If the British Government has carried out its agreement to urge upon the government of Canada to secure to United States citizens the use of the Welland and of the other Canadian canals on terms of equality with Canadian inhabitants, it would seem that its efforts have met with small success.

As the matter stands there is a material discrimination by the existing Canadian regulations against American ports, American vessels, and American railroads and canals in the matter of the shipment of grain and other merchandise through the Welland Canal for exportation.

Respectfully, yours,

C. B. MORTON,
Commissioner.

The honorable the SECRETARY OF THE TREASURY.

CUSTOM-HOUSE, COLLECTOR'S OFFICE,
DETROIT, MICH., June 18, 1888.

SIR: I have the honor to acknowledge the receipt of Department letter dated (T. B. S., 4732 a) the 13th instant, inclosing copy of a resolution of the House of Representatives in relation to alleged discrimination on the part of the Canadian government in tolls against American vessels passing through the Welland and other canals, and in reply thereto I have to state that inquiries made of prominent ship-owners and agents here fail to elicit any proof that there is any discrimination made against American vessels *per se*, but that there is a discrimination against the ports of the United States in the matter of grain cargoes all agree. United States vessels carrying grain from ports west of Welland Canal to American ports east thereof, pay a charge of 20 cents per ton on the grain, while no charge of this kind is made if the grain is consigned to Kingston or other Canadian ports.

The fact that our coasting laws forbid the carrying by foreign vessels of domestic merchandise between American ports and thus limits this trade to American vessels, makes this grain charge a practical discrimination against our vessels, and the levying of this charge it seems to me is a violation of the spirit of the treaty stipulation.

If it is not a violation of the letter or spirit, then our Government has the clear right to impose like charges on grain destined for Canadian ports, from Lake Superior, through the Sault Ste. Marie Canal, and from Lakes Michigan and Huron, through the St. Clair Flats Canal. This course would tend to favor our water routes, or at least place them on a par with the water routes of Canada, as regards grain shipped from all the lake ports of the United States except Detroit, Toledo, and ports on Lake Erie.

Very respectfully,

DANIEL J. CAMPAN,
Collector.

Hon. C. B. MORTON,
Commissioner of Navigation, Washington, D. C.