

Canada immediately took means to relieve American lumber from export duty in New Brunswick at a cost of \$150,000 per annum, thus completing the conditions required to retain article 30 in force.

It is plain, therefore, that from the language of the 30th article of the treaty, supplemented by the protocol of the conference on that article, the remedy which the United States reserved to themselves in the event of Canada depriving the citizens of the United States of the use of the canals on terms of equality with her own people was provided for by that article (see last clause of article 30, and protocol of conference on articles 26 to 33), and was long ago resorted to by the United States. By that article the penalty stipulated for by the United States, in the event of discrimination between the subjects of the two nations in the use of the canals, was the suspension, as respects Canada, of the right of carrying goods from one port within the territory of the United States to another port within the same territory, duty free, as described in article 30. And it was agreed by the article that the United States might suspend this right if their citizens were discriminated against in the use of the Canadian canals. By joint resolution of the senate and house of representatives, passed on the 3rd March, 1883, it was determined to give notice to Canada of the termination of the 30th article of the treaty of Washington at the end of two years from the date of a notice to be forthwith given to Canada. And on the 2nd and 24th of July, 1885, under orders issued by Secretary Manning, based upon the notice given in accordance with the joint resolution terminating the 30th article of the treaty, the privilege of carrying traffic, duty free, from one point in the United States to another point in the same territory, across an intervening portion of Canadian territory, was finally withdrawn from Canadian vessels, thus exacting from Canada the penalty for discrimination in the use of the canals, although no inequality really existed. This privilege has not been enjoyed by Canada since the 2nd July, 1885, though hitherto she has abstained from taking any steps towards preventing the continuance to the United States of the corresponding privilege stipulated for by that country in the 30th article of the treaty of Washington.

While, therefore, the Canadian government is unable to admit that any inequality in the use of the Canadian canals is inflicted upon United States vessels by the terms of the order in council, but that if the fact that transshipment is confined to a Canadian port, could be construed as constituting such an inequality, the penalty agreed upon between the United States and Great Britain, in such an event, has already been exacted by the United States.

The statements made to the United States government by Mr. Keep, secretary of the Lake Carriers' Association, and others, are in many respects inaccurate as to figures, as well as inconclusive in the deductions drawn from them.

His statement that during the season of 1891 Canadian canal tolls were levied discriminating against the port of Ogdensburg to the aggregate amount of \$53,395.67 is widely erroneous.

He states that on the total freight shipped *via* Canadian canals, in 1891, to Ogdensburg, the tolls paid were \$55,037.05. By official canal returns, it appears that the total freight passing through the Welland canal, in 1891, to Ogdensburg, was really 272,947 tons; and tolls paid were \$53,444.37. But of the total canal freight so discharged at Ogdensburg, the wheat, Indian corn, pease, barley, rye, oats, flaxseed and buckwheat amounted to only 191,607 tons, and the tolls paid on the same to \$38,321.40. And these are the only articles of freight which, when shipped to Montreal, come within the purview of the order in council for rebate of toll. The difference between the amount of tolls on goods subject to rebate and the full amount of tolls is, therefore, \$34,489.26, instead of \$53,395.67, as stated by Mr. Keep in the lake carriers' memorial. Of the amount of grain of the character subject to rebate passed as above through the Welland canal to Ogdensburg, 17,817 tons were transhipped at that port to Montreal. The rebate on this quantity, if allowed, would have been \$3,207, and this sum constitutes the sole difference in tolls between the two routes, and the only amount in respect of which any discrimination could be claimed to exist. The remainder of the 191,607 tons passed into the Eastern States.