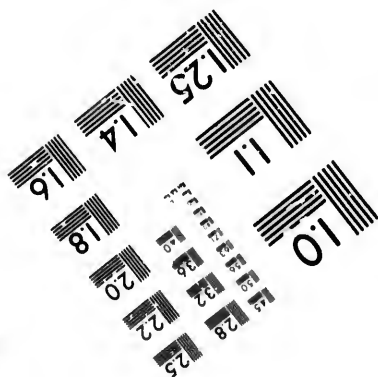
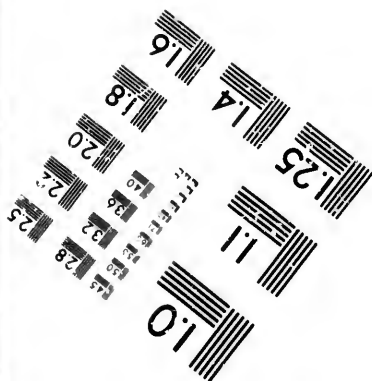
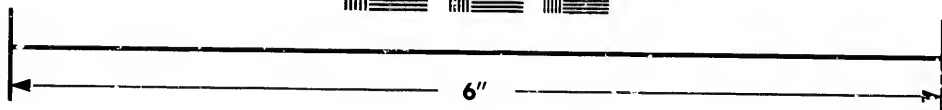
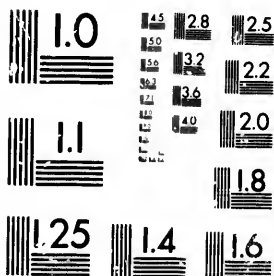


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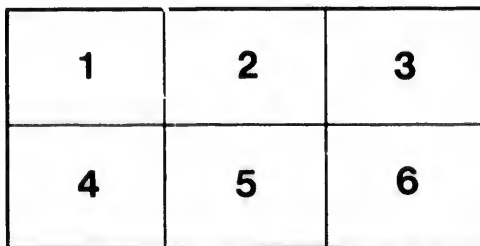
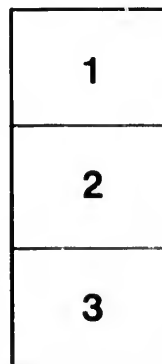
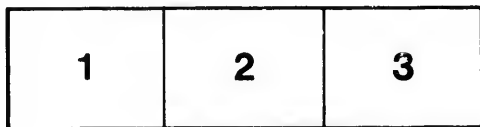
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Reciprocal Trade with Canada

WATER WAY FROM HEAD OF LAKE SUPERIOR TO THE SEA.

FEBRUARY 8, 1892.—Referred to the House Calendar and ordered to be printed.

Mr. LIND, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT:

[To accompany H. Res. 11.]

The Committee on Interstate and Foreign Commerce, to whom was referred the joint resolution (H. Res. 11) to promote the improvement of the water way from the head of Lake Superior, by way of the Welland and St. Lawrence canals and St. Lawrence River, to the sea, respectfully report:

The value and extent of the commerce of the Great Lakes has been so frequently commented upon in this body of late years that it is not deemed necessary to quote figures or statistics to demonstrate its importance. Forming, as they do, the boundary line, in part, of eight of the larger States, the Great Lakes furnish a highway for the interchange of the productions of those Commonwealths that has no parallel in any other country. Thus far the traffic upon them has been confined almost wholly to the trade with Canada and the internal commerce between the States. The recent development of the untold resources of the great Northwest has, however, made the productions of that region not only a vital part of our internal commerce, but the leading factor of our foreign trade. To facilitate the internal commerce, by affording better facilities in the way of improved harbors, lights, and deepening the canals, Congress has not hesitated to vote appropriations by millions. Its action in this behalf has met the approval of the country.

Your committee believes that it is now equally important to facilitate and take the proper steps to secure a deep-water outlet for the foreign commerce originating in the States bordering on and tributary to these waters.

Public interest in this subject is evidenced by the action of conventions and commercial bodies, as well as by the several propositions submitted to Congress, looking to the opening of adequate water ways between the lakes and the ocean. The impracticability of deepening or improving the Erie Canal so as to admit the passage of ocean-going crafts seems to be admitted on all sides. But it is claimed, however, by persons who are competent to express opinions on the subject, that it is feasible to construct a canal from Oswego to the Hudson of sufficient size and depth to furnish deep-water passage from the lakes to the sea. That this may be true, and that the work may be undertaken, if practicable, is earnestly hoped for by all who are interested in the development of our means of communication. It stands admitted, how-

ever, that this project, in connection with the proposed Niagara Canal, would require decades for its execution and an amount of money variously estimated from \$40,000,000 to \$100,000,000.

Pending the consideration of this plan, and its execution if adopted, it seems to your committee that the great interests under consideration should be served by other available means if such are at hand or within our reach. Nature has provided an outlet by means of the St. Lawrence River which needs but comparatively little improvement to make the Great Lakes as available to the commerce of the world as they now are to the internal commerce of the United States and of Canada. On the practicability of the St. Lawrence route for that purpose we quote from a letter to this committee, written by Col. O. E. Poe, in charge of the construction of the new canal at Sault Ste. Marie, in response to a reference of this resolution to the War Department, as follows:

The Welland and St. Lawrence canals undoubtedly occupy the most favorable and therefore the best line of water communication between the lakes and the ocean. A deep water way can be opened by their route at less cost than by any other, and there can be no question as to its advantages in an engineering point of view.

It must be assumed that the Dominion of Canada is fully aware of the great advantage which so favorable a route affords, and will be loath to enter into any arrangement by which this advantage would be divided with another power. However, such questions belong to the domain of diplomacy, and it is probable that I am not expected to discuss them. So far as communication between the lakes and the countries beyond the Atlantic is concerned, every argument favors the proposition of this bill.

Our neighbors on the north have already improved this natural outlet by the construction of the Welland Canal between lakes Erie and Ontario, and the series of shorter canals along the St. Lawrence. These canals cover the entire distance where canals are required between Lake Erie and the sea. Their aggregate length is only 70 miles, while the Erie Canal is 363 miles long.

In pursuance of plans adopted by the Canadian Government for uniformity of depth the Welland has been deepened to 14 feet, and the work is in progress on the other canals with the prospect of completion within three years if the necessary appropriations are made. The magnitude and importance of the work already done is made evident by the fact that the steamer *Wetmore*, carrying some 80,000 bushels of wheat, went through from Duluth to Liverpool last season by lighter ing her cargo in passing down that portion of the St. Lawrence River at which the canals have not yet been deepened. This trip, though largely experimental, proved remunerative to the owners of the vessel. The rate paid from Duluth to Liverpool was 9½ cents per bushel, exclusive of the charges for transshipment to lighter the vessel, which was 3 cents per bushel.

This demonstrates that, with the completion of the improvements now in progress, steamers of the size and capacity of the *Wetmore* can be dispatched from points on the Great Lakes to any port in the world, provided we can use the canals in common with the Canadians. If the canals were further deepened so as to correspond with the new "Soo" Canal, Duluth, Milwaukee, Chicago, Cleveland, and Buffalo would enjoy all the advantages of seaboard cities with reference to foreign trade.

While we are now enjoying the use of these Canadian canals, as the Canadians are ours, we should not lose sight of the fact that such enjoyment is not based on permanent treaty rights.

Under the provisions of Article XXXIII of the treaty of Washington our right to use the Welland and St. Lawrence canals may be terminated on two years' notice, and it will be remembered that President Cleve-

land's administration claimed that the article in question has already been abrogated, so that we are now using those canals by sufferance only. For these reasons it is deemed important by this committee that appropriate action should be taken by this Government to secure by a fair arrangement with the Canadians the permanent right to use these canals for our commerce, in common with and on the same terms as the citizens of that country.

It also appears to your committee that the present time is exceedingly opportune for urging such action in behalf of the commerce of the Great Lakes. It is reported that representatives of the Canadian Government will shortly arrive in this city to negotiate with our Government for closer trade relations between the two countries.

Your committee therefore recommend the passage of the joint resolution.

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IN THE SENATE OF THE UNITED STATES.

M E S S A G E

FROM THE

PRESIDENT OF THE UNITED STATES.

IN FURTHER RESPONSE

To Senate resolution of February 24, 1892, relative to trade arrangements with Canada.

JULY 1, 1892.—Read, referred to the Committee on Foreign Relations, and ordered to be printed.

To the Senate:

For the information of the Senate, and in further response to the resolution of the Senate of February 24th last, I transmit herewith a communication of the 24th instant from Mr. Herbert, the acting representative of the British Government at this capital, addressed to Mr. Wharton, acting Secretary of State, upon the subject of the Canadian canal tolls; also a memorandum prepared and submitted to me by Mr. Adee, Second Assistant Secretary of State, reviewing the communication of Mr. Herbert, and a letter of the 28th instant from Mr. John W. Foster, who, as I have previously stated, with Mr. Blaine represented this Government in the conferences with the Canadian commissioners.

The position taken by this Government, as expressed in my previous communication to the Senate, that the canal tolls and regulations of which complaint has been made are in violation of our treaty with Great Britain, is not shaken but rather confirmed. There can be no doubt that a serious discrimination against our citizens and our commerce exists, and quite as little doubt that this discrimination is not the incident but the purpose of Canadian regulations.

It has not seemed to me that this was a case in which we could yield to the suggestion of further concessions on the part of the United States with a view to securing treaty rights for which a consideration has already been given.

BENJ. HARRISON.

EXECUTIVE MANSION,
July 1, 1892.

Mr. Foster to the President.

DEPARTMENT OF STATE,
Washington, June 28, 1892.

THE PRESIDENT:

Referring to the report which I submitted to you on the 6th instant of the conferences which were held at the Department of State on the 3d and 4th instant, at which there were present the Hon. MacKenzie Bowell and the Hon. George E. Foster on the part of the Canadian Government, and the then Secretary of State and the undersigned on the part of the United States, I desire to add the following statement:

During the conference on the 4th instant the Canadian commissioners suggested, in a tentative way, but without any formal offer of the same as a definite proposition, that an adjustment of the question as to canal tolls might be reached by the abolition of all rebates on the Welland and St. Lawrence canals, on condition that an assurance be given that the continued free use of the Sault Ste. Marie Canal would be assured to British subjects and vessels, and that article 30 of the treaty of 1871 be revived in full effect.

The suggestion was discussed at some length and the position was maintained on the part of the representatives of the United States that the stipulations of article 27 were in nowise modified by the termination of article 30 after ten years and upon two years' notice, and that the obligations of Great Britain, under article 27, were just as binding now as they were before the termination of article 30. It was further stated that while the proposition for the revival of article 30 was one which the Executive would regard as a proper subject for reference to Congress, it was not one which commended itself to the judgment of the conferees on the part of the United States as a just and satisfactory settlement of the question of the canal tolls discrimination.

Respectfully submitted,

JOHN W. FOSTER.

Mr. Herbert to Mr. Wharton.

BRITISH LEGATION,
Washington, June 21, 1892.

SIR: I have the honor to inform you that Sir Julian Pauncefote duly forwarded to the governor-general of Canada copies of your notes of the 10th October, 1891, and of the 17th March, 1892, inclosing memorials from the Lake Carriers' Association of Buffalo, complaining of alleged discrimination on the part of the Canadian Government against citizens of the United States in the use of the Welland Canal, and I have now received a communication from his excellency in reply, containing the following observations which the Government of the Dominion desire to submit thereon.

The Canadian Government have carefully examined the statements made in the two memorials from Mr. Keep, the secretary of the Lake Carriers' Association, and they have been found to be in many respects inaccurate as to figures, as well as inconclusive in the deductions drawn from them.

His assertion 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 would appear to be widely erroneous.

He states that on the total freight shipped by Canadian canals in 1891 to Ogdensburg the tolls paid were \$55,037.05.

By the 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 classes of grain specified by the order in council, namely, wheat, Indian corn, peas, 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.

Of the amount of grain of the character subject to rebate passed as above through the Welland Canal to Ogdensburg 17,817 tons were transshipped 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 amounts in respect of which any discrimination could be claimed to exist. The remainder of the 191,607 tons passed into the Eastern States.

On freight other than the designated products, discharged at Ogdensburg in 1891 full canal tolls were paid and would have been levied on Canadian vessels in Canadian waters, with no refund or abatement of any kind, Canadian and United States vessels being precisely on a par in that respect.

The Canadian Government can not attach any weight to the pretensions of Mr. Keep that there is inequality in the use of the canals between Canadians and Americans on the ground that the tolls for the use of the canals going westward are 20 cents per ton, while those for the use of the canals going eastward are only 10 cents per ton. Except as regards the grain products, already discussed, he does not assert that there is any difference in respect of the amount of these tolls between Canadian and American vessels going eastward or westward, respectively, nor that the destination of the cargoes eastward or westward in any way affects the tolls paid. Canadian and American vessels pay the same toll for passing through the canals in the same direction, and are entirely unrestricted in respect of such tolls by their destination or by any other extraneous circumstances.

By the order in council of April 4 last it was provided that a refund of 18 cents per ton should be made for a portion of the canal tolls, which were fixed at 20 cents per ton upon freight of all kinds, collected on the designated products carried through the Welland Canal and the St. Lawrence canals to Montreal, or any port east of Montreal, in all cases where these products were exported, and in such cases only. The same order stipulated that products on which the rebate could be claimed should be shown to have been originally shipped for Montreal or some port east of Montreal, and should be carried to such point and actually sent out of the country, with the proviso that the right to this rebate should not be lost by reason of intermediate transshipment, if the place of such transshipment be within the Dominion of Canada. As regards all other freights passing through the canals there is no rebate, whatever may be its destination.

The effect of this order in council is to fix the rate of toll on all of the specified products passing through the Welland Canal and the St. Lawrence canals, without distinction as to nationality. Vessels of both countries are entitled to the rebate and also to transship, provided that such

transshipment be made at a Canadian port. If, however, the transshipment takes place at an American port, the vessel loses its right to the rebate. And the loss of rebate would apply equally to both Canadian and American vessels. In like manner, the vessels of neither country would obtain rebate should they land at a port short of Montreal, either on the American or Canadian side.

Under the provisions of the order in council, it is evident that the Canadian Government allow the use of their canals both to their own vessels and to those of the United States upon such conditions as to influence a certain class of the traffic to pass down the St. Lawrence to Montreal; but in the inducement thus held out there is no distinction made as respects the payment for the use of their canals between the vessels of the United States and their own. In favoring their national route the Canadian Government do so on precisely the same conditions with regard to both nations, and they contend therefore that they have acted in accordance with the obligations which Great Britain has requested them to take under article No. 27 of the treaty of Washington. The stipulation in that article is that United States citizens shall use the Canadian canals on terms of equality with the people of the Dominion. And this equality is, in the opinion of the Canadian Government, preserved by the imposition of the same conditions and the granting of the same privileges, with the same restrictions, to vessels of both nationalities.

By the thirtieth article of the treaty of Washington it was agreed that British subjects might carry in British vessels, without payment of duty, goods, wares, or merchandise from one port or place within the territory of the United States upon the St. Lawrence, the Great Lakes, and the rivers connecting the same, to another port or place within the aforesaid territory of the United States, provided that a portion of such transshipment should be made through Canada by land carriage and in bond. And a privilege exactly corresponding, *mutatis mutandis*, was by the same article granted to the citizens of the United States with respect to goods, wares, or merchandise carried from one point in Canada across the territory of the United States to another point in Canada. By the same article, it was agreed that the United States might suspend the right of carrying, so granted to British subjects, in case the Dominion of Canada should at any time deprive the citizens of the United States of the use of the canals in the Dominion on terms of equality with Canadians. In the authorized protocol to the conference between the British and United States high commissioners with regard to the thirtieth article of the treaty of Washington it is stated as follows:

That they desired and it was agreed that the transshipment arrangement should be made dependent upon the nonexistence of discriminating tolls or regulations of the Canadian canals and also upon the abolition of the New Brunswick export duty on American lumber intended for the United States.

The Canadian Government 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 accordingly evident that from the language of the thirtieth 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 and was long ago resorted to by the United States.

By joint resolution of the Senate and House of Representatives, passed on the 3d of March, 1883, it was determined to give notice to Canada of the termination of the thirtieth article of the treaty of Washington at the end of two years.

On the 2d and 24th of July, 1885, under orders issued by Secretary Manning, based upon the notice given, 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 2d of July, 1885, though hitherto the Canadian Government have abstained from taking any steps toward preventing the continuance to the United States of the corresponding privilege provided for by the thirtieth article of the treaty.

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

The Government of the Dominion are, nevertheless, as heretofore, desirous of maintaining friendly relations with the United States, and are willing to meet their views so far as is consistent with their position and with the interests of their people. They believe that the conditions of the treaty of Washington in respect of international trade were eminently calculated to preserve such amicable relations between the countries, and in their opinion the most satisfactory way of meeting the present difficulty would be to revert in some degree to the terms of that treaty, in so far as they relate to the question under discussion. With a view to the furtherance of a good understanding on these points, they would be disposed to enter into an arrangement such as the following:

That, as regards the navigation of the Welland and St. Lawrence canals, the imposition of tolls, and the granting of rebates thereon, the same treatment will be accorded to citizens of the United States as is given to the subjects of Her Britannic Majesty without regard to ports of transshipment or export, and that the United States will continue to deal in like manner with the subjects of Her Britannic Majesty in the use of the existing Sault Ste. Marie Canal. That the provisions of article 30 of the treaty of Washington, granting carrying powers to vessels belonging to the subjects of Her Britannic Majesty, as described in that article, be restored.

In conclusion, I venture to express the hope that this proposal, which I am instructed by the Marquis of Salisbury to submit to your Government, will be received by them in the same friendly spirit in which it is made, and that it will be found to provide an amicable and satisfactory solution of the question at issue between the two countries.

I have the honor to be, with the highest consideration, sir,

Your most obedient, humble servant,

MICHAEL H. HERBERT.

Memorandum by Mr. Adee.

DEPARTMENT OF STATE,
Washington, June 28, 1892.

The reply of the Canadian Government, as communicated by direction of Lord Salisbury in Mr. Herbert's note of June 24; only deals with the statements in regard to discriminating tolls in the Welland and St. Lawrence River canals presented in the memorials of the Lake Carriers' Association, which accompanied the Department's notes to Sir Julian Panncéfote of October 10, 1891, and March 17, 1892.

The report, prepared by Mr. Partridge, and which accompanied the President's message of June 18, deals more methodically with the question of the nature and effect of the discriminations. In that report the discrimination on grain cargoes moving eastward was shown to be three-fold: First, that the toll on grain for export from Montreal or Canadian ports east of Montreal is by rebate reduced to 2 cents per ton, while the toll on grain for export from American ports is 20 cents per ton.

As to this the Canadian reply says:

Under the provisions of the order in council, it is evident that the Canadian Government allow the use of their canals both to their own vessels and to those of the United States upon such conditions as to influence a certain class of the traffic to pass down the St. Lawrence to Montreal; but in the inducement thus held out there is no distinction made as respects the payment for the use of their canals between the vessels of the United States and their own. In favoring their national route the Canadian Government do so on precisely the same conditions with regard to both nations, and they contend, therefore, that they have acted in accordance with the obligations which Great Britain has required them to take under article No. 27 of the treaty of Washington.

The order in council does more, however, than favor a national route of transportation—it aims to favor the trade of exportation from the Canadian ports of departure for foreign traffic. The rebates of canal tolls are merely an instrument to favor the export trade from Canadian ports. If the object were to favor the use of the Canadian canals, and that object were carried out impartially, citizens of the United States would have little or no cause to complain. Moreover, the defense of the Canadian Government is confined to alleging that no discrimination in fact is made between Canadian and United States vessels carrying the favored cargoes through the canals; when the treaty of Washington makes the treatment of citizens the sole test of equality in the use of the canals. That the order does favor and is intended to favor the citizens of Canada at the expense of the citizens of the United States is clear, looking at the order as a whole. Were the purpose of fostering the Canadian export trade accomplished by a bounty to the vessels carrying grain cargoes from the St. Lawrence ocean ports, the case might be different; but the purpose is effected by levying differential tolls to and for the use of the Welland and St. Lawrence River canals, so that the encouragement of the export trade is converted into such a discrimination against the enjoyment of the canals by citizens of the United States as the treaty of Washington expressly aimed to guard against.

(2) Another and more evident discrimination against the American citizen lies in refusing the lesser rate of 2 cents per ton on grain for export from Montreal or ports east of Montreal if it has been transhipped at an American port, while it is allowed if transshipment be effected at a Canadian port.

As to this the Canadian reply merely says, "the loss of rebate would apply equally to both Canadian and American vessels," thus narrowing

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the contention to the equal treatment of *vessels* and ignoring the engagements of the treaty as to the equal treatment of citizens. The reply fails to meet the complaint. Moreover, it is at variance with the allegation elsewhere put forth that the purpose of the order is to encourage the passage of grain cargoes through the canals, for, in fact, it directly discourages a large traffic which would pass through the Welland Canal if the superior facilities for transshipment afforded by the elevators at Ogdensburg and Oswego were an inducement to send grain cargoes by the Welland route. The order is in this regard a naked discrimination against the American citizen, for the enforcement of which the canal tolls are employed as a convenient instrument.

(3) As to the traffic passing through the St. Lawrence River canals, a third discrimination exists which is in absolute and open violation of the intent of the treaty, for if the starting point of the grain cargo for export be a Canadian Lake Ontario port, the toll is but 2 cents per ton, while the 20-cent rate is exacted on grain for the same destination from the American Lake Ontario ports. This is a new discrimination, appearing for the first time in the Canadian order of April 4, 1892, and imposes a differential treatment against American ports and American citizens not existing, or even contemplated as a probability, when the Lake Carriers' Association presented its memorial of September 18, 1891, to which the present note of the British chargé d'affaires to reply. The Canadian argument is, therefore, silent as to this, perhaps the most intentionally vexatious discrimination against the stipulated privilege of citizens of the United States to use the Canadian canals "on terms of equality with the inhabitants of the Dominion."

(4) A fourth discrimination as regards the system of tolls adopted in the Welland Canal was applied by a Dominion order of April 11, 1890, regulating the tolls on coal. By that order the toll on coal passing down the canal, eastward bound, was reduced from 20 cents to 10 cents per ton, but the full toll of 20 cents per ton was left on coal bound up the canal, westward. The memorial fully exhibits the discriminatory effect of this difference between eastward and westward rates, showing that the down rate of 10 cents applied in 1890 to 22,781 tons of coal carried in Canadian vessels to Canadian ports and to only 615 tons carried in an American vessel to an American port. Of the coal carried up the canal and compelled to pay a toll of 20 cents, 116,616 tons were carried between ports of the United States, 17,280 from a United States to a Canadian port, and 80 tons only between Canadian ports. This adroit manipulation of the tolls operates to tax the commerce of American citizens much more heavily than that of Canadians, and goes far to explain the statement—

That of the total cargo tonnage of the Welland Canal during the year 1890, 57 per cent destined for American ports paid more than 72 per cent of the tolls, and 43 per cent destined for Canadian ports paid less than 28 per cent of the tolls.

This statement, supported as it is by Canadian official statistics, is dismissed by the Canadian reply as follows:

The Canadian Government can not attach any weight to the pretensions of Mr. Keop that there is inequality in the use of the canals between Canadians and Americans on the ground that the tolls for the use of the canal going westward are 20 cents per ton, while those for the use of the canal going eastward are only 10 cents per ton. Except as regards the grain products already discussed, he does not assert that there is any difference in respect of the amount of these tolls between Canadian and American vessels going eastward or westward, respectively, nor that the destination of the cargoes eastward or westward in any way affects the tolls paid. Canadian and American vessels pay the same toll for passing through the canal in the same direction, and are entirely unrestricted in respect of such tolls by their destination or by any other extraneous circumstances.

Here again, as throughout the note, the language of the treaty as to the equal treatment of the citizens of the two countries, in their enjoyment of the facility of coastwise transit, is lost sight of and a defensive argument is based on the circumstance that no differential toll is imposed on the vessels of either party.

Of the four classes of discrimination existing, under the differential system of tolls and the differential regulations as to points of origin and transshipment, the Canadian reply deals with three, and with those only by denying that any differential rates are applied to the disadvantage of American vessels.

The Canadian reply disputes the accuracy of the figures given in the memorial of the Lake Carriers' Association respecting the levy of tolls to the aggregate amount of \$53,395.67 in discrimination against the freight shipped by Canadian canals in 1891 to Ogdensburg. By confining the examination to the grain stuff actually transhipped at Ogdensburg to Montreal after having come through the Welland Canal, which in 1891 amounted to 17,817 tons, the Canadian reply concludes that—

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.

There is no suggestion that the reduction of the Montreal-bound transshipments at Ogdensburg to the paltry figure of 17,817 tons may not have been the direct result of the discrimination complained of; and had the result of the order been altogether prohibitory and no transshipments of grain for Montreal been effected at Ogdensburg, it may be inferred that the Canadian Government would have found therein evidence that no "difference" whatever exists "in tolls between the two routes."

Quitting the defensive argument in support of the contention that no discriminating treatment results from the system of tolls adopted in the Canadian canals, the reply of the Dominion goes on to propose a compromise agreement, as follows:

That, as regards the navigation of the Welland and St. Lawrence canals, the imposition of tolls and the granting of rebates thereon, the same treatment will be accorded to citizens of the United States as is given to the subjects of Her Britannic Majesty without regard to ports of transshipment or export, and that the United States will continue to deal in like manner with the subjects of Her Britannic Majesty in the use of the existing Sault Ste. Marie Canal. That the provisions of article 30 of the treaty of Washington, granting carrying powers to vessels belonging to subjects of Her Britannic Majesty, as described in that article, be restored.

The thirtieth article of the treaty of Washington reads as follows:

ARTICLE XXX.

It is agreed that, for the terms of years mentioned in article XXXIII of this treaty, subjects of Her Britannic Majesty may carry in British vessels without payment of duty goods, wares, or merchandise from one port or place within the territory of the United States upon the St. Lawrence, the Great Lakes, and the rivers connecting the same to another port or place within the territory of the United States as aforesaid: *Provided*, That a portion of such transportation is made through the Dominion of Canada by land carriage and in bond, under such rules and regulations as may be agreed upon between the Government of Her Britannic Majesty and the Government of the United States.

Citizens of the United States may for the like period 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 transportation 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.

The Government of the United States further engages not to impose any export duties on goods, wares, or merchandise carried under this article through the territory of the United States, and Her Majesty's Government engages to urge the parliament of the Dominion of Canada and the legislatures of the other colonies not to impose any export duties on goods, wares, or merchandise carried under this article; and the Government of the United States may, in case such export duties are imposed by the Dominion of Canada, suspend, during the period that such duties are imposed, the right of carrying granted under this article in favor of the subjects of Her Britannic Majesty.

The Government of the United States may suspend the right of carrying granted in favor of the subjects of Her Britannic Majesty under this article in case the Dominion of Canada should at any time deprive the citizens of the United States of the use of the canals in the said Dominion on terms of equality with the inhabitants of the Dominion, as provided in article XXVII.

With regard to the last clause of this article, giving to the United States the power to suspend the carrying rights of Canadians in the United States in the event of Canada's denying equal treatment to American citizens in the use of the Dominion canals, the Canadian reply quotes from the authorized protocol of the high commissioners—

That they desired and it was agreed that the transshipment arrangement should be made dependent upon the nonexistence of discriminating tolls or regulations of the Canadian canals, and also upon the abolition of the New Brunswick export duty on American lumber intended for the United States (For. Rels., 1871, p. 514)—

and proceeds to argue that—

It is accordingly evident that from the language of the thirtieth 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 and was long ago resorted to by the United States.

through the termination of the article in question in July, 1885, by two years' notice given by the United States in 1883—

Thus exacting from Canada the penalty for discrimination in the use of the canals, although no inequality really existed. * * *

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

Article 30 was one of several regulating the fishing privileges and certain phases of the intercourse of the United States and Canada which were incorporated into the treaty of Washington and to which a duration was assigned, of ten years certain and thereafter until two years' notice of their termination should be given by either party, as provided in the thirty-third article of the treaty, as follows:

ARTICLE XXXIII.

The foregoing articles XVIII to XXV, inclusive, and article XXX of this treaty, shall take effect as soon as the laws required to carry them into operation shall have been passed by the Imperial Parliament of Great Britain, by the parliament of Canada, and by the legislature of Prince Edward's Island on the one hand, and by the Congress of the United States on the other. Such assent having been given, the said articles shall remain in force for the period of ten years from the date at which they may come into operation; and further until the expiration of two years after either of the high contracting parties shall have given notice to the other of its wish to terminate the same; each of the high contracting parties being at liberty to give such notice to the other at the end of the said period of ten years or at any time afterward.

The language of the protocol of the conference, quoted in the Canadian reply, may be rightly taken as representing the judgment of the High Commission that an engagement binding the United States to grant a privilege to Canada for a term of years was not equitably correlative with the reciprocal qualified privilege granted by Canada in respect of the Dominion canals, which in terms was dependent upon the pleasure of Canada and liable to be terminated at any time by adverse legislation or regulation. The meaning of the concluding proviso of article 30 is clearly that, in the event of the privileges of equal enjoyment of the Dominion canals by citizens of the United States being withdrawn or curtailed, the United States might retaliate by forthwith suspending the reciprocal transit privilege under article 30, even though the period fixed for the duration thereof should not have elapsed. Thus, had discriminating measures been adopted, in respect to the Canadian canals, at any time during the ten years' life of the article, or during the two years succeeding notice given of its termination, the United States could have at once suspended the transit privileges granted to Canadians within the territory of the United States.

This right of suspension was a mere incident of the peculiar relations of transit and intercourse created by articles 27 and 30 of the treaty of Washington, and is wholly different, both in intent and in effect, from the right of termination given in regard to those and sundry other articles by the thirty-third article of the treaty. The right of suspension could be exercised, for cause, by the United States alone, the case arising. The right of abrogation was common to both Governments, to be exercised by either at its pleasure after a defined term should have elapsed, if in its judgment the continuance of the relations created by those articles should be found inexpedient. Like all engagements of intercourse and reciprocity, the articles in question were tentative, and their continuance after a certain time was to be dependent on their continuing to work in a manner satisfactory to each of the contracting parties. The United States, for considerations of domestic convenience, saw fit to exercise the right of abrogation at the earliest possible date permitted by the terms of the treaty. It is irrelevant to associate this exercise of an ordinary right of termination, common to all treaties of commercial intercourse, with the idea of a penalty for a shortcoming as yet nonexistent on the part of the other contracting party.

The Canadian argument appears to regard the authorized and normal termination of article 30 as operating, indefinitely and for all future time, to exhaust the power of penalty and retaliation for any failure of Canada to fulfill the intended engagement of equality in the use of her canals. The mere statement of this proposition suffices to demonstrate its untenableness.

The proposition to secure for Canadian citizens and products some additional privilege of transit within the United States, as an offset or pretended equivalent for the enjoyment by Americans of the facilities of the Dominion canals on an identical footing of equality with Canadians, is not new. It was incidentally suggested in the conferences held on the 3d and 4th of June, 1892, between the Secretary of State and the Canadian commissioners, but was dismissed without serious consideration. It came up also in the same conference in the form of a proposal that the free navigation of the New York State canals and the Hudson River should be granted to Canadians in return for the removal of the discriminating canal tolls of the Dominion, and was again dismissed. It is now presented anew in its original form.

Regarded as a whole, the Canadian reply fails to meet the just com-

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plaints of the United States. It narrows the issue to the treatment of American and Canadian vessels in respect to tolls in the Welland and St. Lawrence canals, and to the denial of rebate to cargoes of grain stuffs actually transshipped in an American port for export from Montreal, or a port east of that city. It ignores the adroitly devised system by which the traffic of citizens of the United States is made to contribute a much larger percentage of tolls in the Welland Canal than the traffic of Canadians. And it is altogether silent touching the discrimination, introduced into this season's order in council, withholding the export rebate from cargoes coming from any port on the United States shore of Lake Ontario.

Respectfully submitted.

ALVEY A. ADEE,
Second Assistant Secretary.

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IN THE SENATE OF THE UNITED STATES.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES.

IN RESPONSE TO

Senate resolution of February 21, 1892, relative to negotiations for reciprocal trade with Canada.

JUNE 20, 1892.—Read, referred to the Committee on Relations with Canada, and ordered to be printed.

To the Senate of the United States:

The following resolution was passed by the Senate on the 24th day of February last:

Resolved, That the President be requested, if in his opinion not incompatible with the public interests, to inform the Senate of the proceedings recently had with the representatives of the Dominion of Canada and of the British Government as to arrangements for reciprocal trade between Canada and the United States.

In response thereto I now submit the following information:

On the 15th day of April last the Secretary of State submitted to me a report, which is herewith transmitted. Shortly after the report came into my possession I was advised by the Secretary that the British minister at this capital had informed him that the Canadian Government desired a further conference on the subject of the discriminating canal tolls of which this country had complained. This information was accompanied by the suggestion that a response to the resolution of the Senate might properly be delayed until this further conference was held.

On the 3d instant the British minister, in connection with Hon. MacKenzie Bowell and Hon. George E. Foster, members of the Canadian ministry, were received by the Secretary of State, and a further conference took place. In both of the conferences referred to Hon. John W. Foster, at the request of the Secretary of State, appeared with him on behalf of this Government, and the report of the latter conference was submitted to me on the 6th instant by Mr. Foster, and is herewith transmitted. The result of the conference as to the practicability of arranging a reciprocity treaty with the Dominion of Canada, is clearly stated in the letter of Mr. Blaine, and was anticipated, I think, by him and by every other thoughtful American who had considered the subject. A reciprocity treaty limited to the exchange of natural products

would have been such only in form. The benefits of such a treaty would have inured almost wholly to Canada. Previous experiments on this line had been unsatisfactory to this Government. A treaty that should be reciprocal in fact, and of mutual advantage, must necessarily have embraced an important list of manufactured articles, and have secured to the United States a free or favored introduction of these articles into Canada as against the world; but it was not believed that the Canadian ministry was ready to propose or assent to such an arrangement. The conclusion of the Canadian commissioners is stated in the report of Mr. Blaine as follows:

In the second place it seemed to be impossible for the Canadian Government, in view of its present political relations and obligations, to extend to American goods a preferential treatment over those of other countries. As Canada was a part of the British Empire, they did not consider it competent for the Dominion Government to enter into any commercial arrangement with the United States, from the benefits of which Great Britain and its colonies should be excluded.

It is not for this Government to argue against this announcement of Canadian official opinion. It must be accepted, however, I think, as the statement of a condition which places an insuperable barrier in the way of the attainment of that large and beneficial intercourse and reciprocal trade which might otherwise be developed between the United States and the Dominion.

It will be noticed that Mr. Blaine reports as one of the results of the conference—

an informal engagement to repeal and abandon the drawback of 18 cents a ton given to wheat (grain) that is carried through to Montreal and shipped therefrom to Europe. By the American railways running from Ogdensburg and Oswego and other American ports the shippers paid the full 20 cents a ton, while in effect those by the way of Montreal pay only 2 cents. It was understood that the Canadian commissioners, who were all three members of the cabinet, would see to the withdrawal of this discrimination.

From the report of the recent conference, by Mr. Foster, it will be seen that the Canadian commissioners declare that this statement does not conform to their understanding, and that the only assurance they had intended to give was that the complaint of the Government of the United States should be taken into consideration by the Canadian ministry on their return to Ottawa. Mr. Foster, who was present at the first conference, confirms the statements of Mr. Blaine. While this misunderstanding is unfortunate, the more serious phase of the situation is that, instead of rescinding the discriminating canal tolls of which this Government complains, the Canadian ministry, after the return of the commissioners from their visit to Washington, on April 4, reissued, without any communication with this Government, the order continuing the discrimination, by which a rebate of 18 cents a ton is allowed upon grain going to Montreal but not to American ports, and refusing this rebate even to grain going to Montreal if transhipped at an American port.

The report of Mr. Partridge, the solicitor of the Department of State, which accompanies the letter of the Secretary of State, states these discriminations very clearly. That these orders as to canal tolls and rebates are in direct violation of article 27 of the treaty of 1871 seems to be clear. It is wholly evasive to say that there is no discrimination between Canadian and American vessels; that the rebate is allowed to both, without favor, upon grain carried through to Montreal, or transhipped at a Canadian port to Montreal. The treaty runs:

To secure to the citizens of the United States the use of the Welland, St. Lawrence, and other canals in the Dominion on terms of equality with the inhabitants of the Dominion.

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It was intended to give to consumers in the United States, to our people engaged in railroad transportation, and to those exporting from our ports equal terms in passing their merchandise through these canals. This absolute equality of treatment was the consideration for concessions on the part of this Government made in the same article of the treaty, and which have been faithfully kept. It is a matter of regret that the Canadian Government has not responded promptly to our request for the removal of these discriminating tolls.

The papers submitted show how serious the loss inflicted is upon our lake vessels and upon some of our lake ports. In view of the fact that the Canadian commissioners still contest with us the claim that these tolls are discriminating, and insist that they constitute no violation of the letter or spirit of article 27 of the treaty, it would seem appropriate that Congress, if the view held by the Executive is approved, should, with deliberation and yet with promptness, take such steps as may be necessary to secure the just rights of our citizens.

In view of the delays which have already taken place in transmitting this correspondence to Congress, I have not felt justified in awaiting the further communication from the Government of Canada which was suggested in the recent conference.

Should any proposition relating to this matter be received, it will be immediately submitted for the consideration of the Senate; and, if forwarded within the time suggested, will undoubtedly anticipate any final action by Congress.

BENJ. HARRISON.

EXECUTIVE MANSION,
June 20, 1892.

DEPARTMENT OF STATE,
Washington, April 15, 1892.

To the PRESIDENT:

The Secretary of State, to whom was referred the resolution of the Senate of February 24, 1892, requesting the President if, in his opinion, not incompatible with the public interest, to inform the Senate of the proceedings recently had with representatives of the Dominion of Canada and the British Government as to arrangements for reciprocal trade between Canada and the United States, has the honor to submit the following report:

In the month of October, 1890, Hon. Robert Bond, colonial secretary of Newfoundland, visited Washington for the purpose of conferring with the Government of the United States respecting the commercial relations between Newfoundland and the United States. He was presented to me by the British minister in this city, Sir Julian Pauncefote, and after various conferences, continuing through the months of October and November, a draft of a reciprocity convention between the United States and Newfoundland was framed and forwarded to London for the action of the British Government.

This fact having come to the attention of the Government of the Dominion of Canada, a strong protest was forwarded by it to the British Government against the ratification of the action of the colonial minister of Newfoundland, and this was followed, in December, 1890, by a proposition initiated and made to me by the British minister in Washington, for the opening of formal negotiations in this city for a treaty

embracing commercial reciprocity with Canada, the fisheries, and other unsettled questions with the Dominion Government. I declined to open formal negotiations, but stated that I would be willing to have a full and private conference with the British minister and one or more agents of Canada, and consider with them every subject connected with the relations of the two countries upon which a mutual interest could be founded, with a view to formal negotiations should the proposed conference indicate a probability of agreement on any of the subjects discussed. This basis was accepted by the British minister and the Dominion Government, but for various reasons of convenience to the members of the proposed conference it did not take place until February 10, when the British minister presented to me, at the Department of State, Sir John Thompson, minister of justice, Hon. George E. Foster, minister of finance, and Hon. MacKenzie Bowell, minister of customs, as commissioners on the part of the Government of the Dominion of Canada, to participate with him in the conference.

At the first conference, on February 10, the commissioners stated that they were authorized by the Canadian government to propose the renewal of the reciprocity treaty of 1854 (which was terminated in 1866 by the action of the Congress of the United States), with such modifications and extensions as the altered circumstances of both countries and their respective interests might seem to require.

In answer to an inquiry, the commissioners stated that the modifications or extensions contemplated in the schedules of articles should be confined to natural products and should not embrace manufactured articles.

The commissioners were informed that the Government of the United States would not be prepared to renew the treaty of 1854 nor to agree upon any commercial reciprocity which should be confined to natural products alone; and that, in view of the great development of industrial interests of the United States and of the changed conditions of the commercial relations of the two countries since the treaty of 1854 was negotiated, it was regarded of essential importance that a list of manufactured goods should be included in the schedules of articles for free or favored exchange in any reciprocity arrangement which might be made.

The commissioners then inquired if the Government of the United States would expect to have preferential treatment extended to the list of manufactured goods of the United States on their introduction into Canada by virtue of a reciprocity treaty, or whether it would regard the Canadian Government as at liberty to extend the same favors to the manufactured goods of other countries not parties to the treaty on their introduction into Canada.

The reply given them was that it was the desire of the Government of the United States to make a reciprocity convention which would be exclusive in its application to the United States and Canada, and that other countries which are not parties to it should not enjoy gratuitously the favors which the two neighboring countries might reciprocally concede to each other for valuable considerations and at a large sacrifice of their respective revenues.

Upon receiving this reply, the Canadian commissioners asked that the further consideration of the subject be adjourned till another conference, to enable them to consult as to the course which they would adopt in view of the foregoing declaration.

In the conference of the 11th the Canadian commissioners stated that they had given careful consideration to the suggestion that manufactured goods should be included in the schedules of articles for ex-

change in a reciprocity convention, and to the desire expressed by the Government of the United States that such American goods on their introduction into Canada should be accorded preferential treatment over similar goods from other countries; and they announced, with an expression of regret, that they did not consider it possible to meet the expectations of the Government of the United States in these respects. In the first place they encountered a serious obstacle in the matter of revenue. If any considerable list of manufactured goods of the United States should be admitted free into Canada, it would entail a material loss to the Dominion treasury, and if the same favors were likewise extended to the merchandise of other countries the loss of revenue would be much greater. They felt that they would not be able to recompense these losses by other methods of taxation. In the second place, it seemed to be impossible for the Canadian Government, in view of its present political relations and obligations, to extend to American goods a preferential treatment over those of other countries. As Canada was a part of the British Empire, they did not consider it competent for the Dominion Government to enter into any commercial arrangement with the United States, from the benefits of which Great Britain and its colonies should be excluded.

The announcement of these conclusions of the Canadian commissioners was accepted as a bar to further negotiations on this subject, and it was not again discussed, except in connection with the fishing privileges on the Atlantic coast.

In the conference of February 12, a proposition was made by the Canadian commissioners that in the United States and Canada all duties should be removed from fish and the products of fish, and that the Canadian licenses now granted United States fishing vessels and the privileges incident thereto be accorded them free of charge.

This proposition was not accepted for the reasons that the privileges therein offered to American fishermen in Canadian territory was only a partial and an inadequate relief from the discrimination and inequality of which they had so long complained, and that the measure of reciprocity contained in the proposed free admission of fish into the two countries was not regarded as reasonable or equal.

In the conference of the 11th the Canadian Commissioners proposed that the privileges of the coasting trade both in the waters of the Atlantic coast and of the lakes be reciprocally open to the vessels of both Canada and the United States; but the proposition was declined as one which the Government of the United States was not at present disposed to consider.

Other questions were informally discussed by the conference. A commission to fix the boundary separating Alaska from British territory was the first.

The next was the regulation respecting wreckage on the Great Lakes, and the rules governing the same.

The third was the appointment of a commission of one expert from each country to examine and report the measures necessary to arrest certain practices which are detrimental to the fish in both countries.

The fourth was that of placing a line of buoys on the line between the two countries, on the St. Croix River where it loses itself in Passamaquoddy Bay. These several subjects were favorably considered by the conference. They will be subjects for consideration in an official conference, or some of them may be disposed of by legislation between the two countries.

The fifth was an informal engagement to repeal and abandon the drawback of 18 cents a ton given to wheat that is carried through to Montreal and shipped therefrom to Europe. By the American railways running from Ogdensburg and Oswego and other American ports the shippers pay the full 20 cents a ton, while in effect those by the way of Montreal pay only 2 cents. It was understood that the Canadian commissioners, who were all three members of the cabinet, would see to the withdrawal of this discrimination. It is obviously in violation of the provisions of the twenty-seventh article of the treaty of 1871. We learn of late that it has been reimposed for the year 1892, and unless we resort to some form of retaliation our shippers and transportation companies will be subjected continually to this unfair charge. I append hereto a report from the Solicitor of this Department, setting forth in detail the facts of this discrimination and copies of correspondence relating to the subject.

The conference closed on the 15th of February last.

Attached hereto is the list of articles agreed upon for reciprocal exchange by the treaty of 1854, which was terminated in 1866 by means of a joint resolution of the Congress of the United States. It will be seen that the articles were confined to natural products.

With few exceptions, the articles of the schedule are produced in both countries in abundance. Both countries have a great number of them for export. They do not form the basis of a treaty of reciprocity in the proper sense. The reciprocal treaties made in 1891 uniformly took from this country something which the others did not produce and gave us something which we did not produce.

In 1874 the British minister in this city, aided by plenipotentiaries from Canada, framed a reciprocity treaty and proposed its acceptance by the Government of the United States. The President submitted the unsigned draft to the Senate for its consideration and advice, but it failed to receive the approval of that body. The schedules of articles in the proposed treaty not only embraced all the natural products contained in the terminated treaty of 1854, but in addition a long and important list of manufactured articles, which enhanced its value to the United States over the treaty of 1854.

The trade statistics for 1890 show that the total exports from Canada into the United States amounted in value to \$39,042,000 and of this sum \$38,442,000 consisted of natural products.

The chief competitor of the United States for the import trade of Canada is Great Britain. For the last fiscal year the import trade was as follows: From the United States, \$53,685,657; Great Britain, \$42,047,526; all other countries, \$17,611,941. If Great Britain should be permitted to enjoy gratuitously the benefits conferred upon the United States by means of a reciprocity treaty, its benefits to the latter country would, in a great measure, be neutralized.

Respectfully submitted.

JAMES G. BLAINE.

[Article III, Treaty with Great Britain of 1854.]

It is agreed that the articles enumerated in the schedule hereunto annexed, being the growth and produce of the aforesaid British colonies or of the United States, shall be admitted into each country respectively free of duty:

Grain, flour, and breadstuffs of all kinds.	Pitch, tar, turpentine, ashes.
Animals of all kinds.	Timber, and lumber of all kinds, round, hewed, and sawed, unmanufactured in whole or in part.
Fresh, smoked, and salted meats.	Firewood.
Cotton wool, seeds, and vegetables.	Plants, shrubs, and trees.
Undried fruits, dried fruits.	Pelts, wool.
Fish of all kinds.	Fish oil.
Products of fish, and of all other creatures living in the water.	Rice, broom corn, and bark.
Poultry, eggs.	Gypsum, ground or unground.
Hides, furs, skins, or tails, undressed.	Hewn, or wrought, or unwrought burr or grindstones.
Stone, or marble, in its crude or unwrought state.	Dyestuffs.
Slate.	Flax, hemp, and tow, unmanufactured.
Butter, cheese, tallow.	Unmanufactured tobacco.
Lard, horns, manures.	Rags.
Ores, of metals, of all kinds.	
Coal.	

[Article IV, Draft of Treaty with Great Britain, 1874.]

It is agreed that the articles enumerated in the Schedules A, B, and C, hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada or of the United States, shall, on their importation from the one country into the other, from the 1st day of July, 1875, to the 30th day of June, 1876 (both included), pay only two-thirds of the duties payable at the date of this treaty on the importations into such country of such articles respectively; and from the 1st day of July, 1876, to the 30th day of June, 1877 (both included), shall pay one-third of such duties, and on and after the 1st day of July, 1877, for the period of years mentioned in article XIII of this treaty, shall be admitted free of duty into each country, respectively.

For the term mentioned in article XIII no other or higher duty shall be imposed in the United States upon other articles not enumerated in said schedules the growth, produce, or manufacture of Canada, or in Canada upon such other articles the growth, produce, or manufacture of the United States, than are respectively imposed upon like articles the growth, produce, or manufacture of Great Britain, or of any other country.

SCHEDULE A.

Consists of the following natural products:

Animals of all kinds.	Firewood.
Ashes, pot, pearl, and soda.	Flax, unmanufactured.
Bark.	Flour, and meals of all kinds.
Bark extract, for tanning purposes.	Fruits, green or dried.
Bath bricks.	Furs, undressed.
Breadstuffs of all kinds.	Grain of all kinds.
Bricks for building, and fire bricks.	Gypsum, ground, unground, or calcined.
Broom corn.	Hay.
Burr or grind stones, hewed, wrought, or unwrought.	Hemp, unmanufactured.
Butter.	Hides.
Cheese.	Horns.
Coal and coke.	Lard.
Cotton wool.	Lime.
Cotton waste.	Malt.
Dyestuffs.	Manures.
Earths, clays, ochers, sand, ground, or unground.	Marble, stone, slate, or granite, wrought, or unwrought.
Eggs.	Meats, fresh, smoked, or salted.
Fish of all kinds	Ores of all kinds of metals.
Fish, products of, and of all other creatures living in the water, except fish preserved in oil.	Pelts.
	Pease, whole or split.
	Petroleum oil, crude, refined, or benzole.
	Pitch.

Plants.
Poultry and birds of all kinds.
Rags of all kinds.
Rice.
Salt.
Seeds.
Shrubs.
Skins.
Straw.
Tails.
Tallow.

Tar.
Timber and lumber of all kinds, round,
hewed, and sawed, manufactured in
whole or in part.
Tobacco, unmanufactured.
Tow, unmanufactured.
Trees,
Turpentine.
Vegetables.
Wool.

SCHEDULE B.

Consisting of the following agricultural implements:

Axes.
Bugholders.
Beehives.
Bone-crushers, or parts thereof.
Cultivators, or parts thereof.
Chaff-cutters, or parts thereof.
Corn-huskers, or parts thereof.
Cheese-vats.
Cheese-factory heaters.
Cheese-presses, or parts thereof.
Churns, or parts thereof.
Cattle-feed boilers and steamers, or parts
thereof.
Ditchers, or parts thereof.
Field rollers, or parts thereof.
Fanning mills, or part thereof.
Feed-choppers, or parts thereof.
Forks for hay and manure, hand or horse.
Grain drills, or parts thereof.
Grain-crushers, or parts thereof.
Harrow.

Hoes, hand or horse.
Horseshoes.
Horse-power machines, or parts thereof.
Hay tedders, or parts thereof.
Liquid-manure carts, or parts thereof.
Manure sowers, or parts thereof.
Mowers, or parts thereof.
Oil and oil-cake crushers, or parts thereof.
Plows, or parts thereof.
Root and seed planters, or parts thereof.
Root-cutters, pulpers, and washers, or
parts thereof.
Rakes.
Reapers, or parts thereof.
Reaper and mower combined, or parts
thereof.
Spades.
Shovels.
Seythes.
Snaths.
Thrashing machines, or parts thereof.

SCHEDULE C.

Consisting of the following manufactures:

Axles, all kinds.
Boots and shoes, of leather.
Boot and shoe making machines.
Buffalo robes dressed and trimmed.
Cotton grain bags.
Cotton denims.
Cotton jeans, unbleached.
Cotton drillings, unbleached.
Cotton tickings.
Cotton plaids.
Cottonades, unbleached.
Cabinet ware and furniture, or parts
thereof.
Carriages, carts, wagons, and other
wheeled vehicles and sleighs, or parts
thereof.
Fire engines, or parts thereof.
Felt covering for boilers.
Gutta-percha belting and tubing.
Iron, bar, hoop, pig, puddled, rod, sheet,
or scrap.
Iron nails, spikes, bolts, tacks, brads, or
sprigs.
Iron castings.
India rubber belting and tubing.
Locomotives for railways, or parts there-
of.
Lead, sheet, or pig.
Leather, sole or upper.

Leather, harness, and saddlery of.
Mill, or factory, or steamboat fixed en-
gines and machines, or parts thereof.
Manufactures of marble, stone, slate, or
granite.
Manufactures of wood solely, or wood
nailed, bound, hinged, or locked with
metal materials.
Mangles, washing machines, wringing
machines, and drying machines, or parts
thereof.
Printing paper for newspapers.
Paper-making machines, or parts thereof.
Printing type, presses, and folders, paper-
cutters, ruling machines, page-number-
ing machines, and stereotyping and
electrotyping apparatus, or parts there-
of.
Refrigerators, or parts thereof.
Railroad cars, carriages, and trucks, or
parts thereof.
Satinets of wool and cotton.
Steam engines, or parts thereof.
Steel, wrought or cast, and steel plates
and rails.
Tin tubes and piping.
Tweeds of wool solely.
Water-wheel machines and apparatus, or
parts thereof.

Mr. Partridge to Mr. Blaine.

DEPARTMENT OF STATE,
Washington, April 11, 1892.

SIR: By your direction I have the honor to report to you respecting the discrimination of the Government of the Dominion of Canada against the citizens of the United States in the use of the Welland and St. Lawrence canals.

Article 27 of the treaty of Washington, concluded May 8, 1871 (17 Stat., 872), provides:

The Government of Her Britannic Majesty engages to urge upon the Government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence, and other canals in the Dominion on terms of equality with the inhabitants of the Dominion; and the Government of the United States engages that the subjects of Her Britannic Majesty shall enjoy the use of the St. Clair Flats Canal on terms of equality with the inhabitants of the United States, and further engages to urge upon the State governments to secure to the subjects of Her Britannic Majesty the use of the several State canals connected with the navigation of the lakes or rivers traversed by or contiguous to the boundary line between the possessions of the high contracting parties on terms of equality with the inhabitants of the United States.

The object of the article was plainly to secure to the citizens and subjects of the United States and Canada, respectively, equal privileges in the use of the canals connected with the navigation of the Great Lakes and the St. Lawrence River. Inasmuch as the Welland, St. Lawrence, and other canals in Canada were the property of the Government of the Dominion, which was not directly a party to the treaty, Her Majesty's Government could only undertake to urge upon the Canadian Government to secure their use to our citizens upon terms of equality with its own inhabitants. On the other hand, this Government at that time owned and controlled the St. Clair Flats Canal. Hence the stipulation for its use by British subjects on terms of equality with our inhabitants was made explicit. With respect, however, to other American canals, the engagement of this Government was simply reciprocal to the engagement undertaken by the Government of Her Majesty. Although the circumstances of the case required that article 27 of the treaty of 1871 should take the form which it did, it can not be doubted that it was intended to secure thereby complete equality to the citizens of each country in the use of the canals of the other necessary to the navigation of the Great Lakes and the St. Lawrence River.

As regards such of these canals as are within the territory of the United States, I understand that they are not only used by Canadians on terms of perfect equality with the citizens of this country, but that in fact they are enjoyed by them free of any dues or tonnage tax whatever.

Notwithstanding the full compliance of this Government with the spirit of the treaty as regards American canals, and the liberality of its policy, which has opened them free of tolls to Canadian commerce, this Department has received numerous complaints tending to show, and which it is believed do satisfactorily show, that the Dominion of Canada has for some time discriminated against our citizens in the use of her canals.

The facts as represented to the Department are substantially as follows:

The Canadian Government, in addition to vessel tolls, also imposes a cargo toll on traffic passing through the Welland and St. Lawrence canals. This cargo toll in the case of wheat and other cereals amounts

to 20 cents per ton. For some years past, however, the Canadian Government, by orders in council, has granted a rebate of 18 cents per ton on grain carried through these canals, provided it was carried through to Montreal or some port east of Montreal. The rebate is not allowed if the grain is destined for an American port.

As boats of the class engaged in carrying grain from the upper lakes through the Welland Canal are unable to pass through the St. Lawrence canals to Montreal, it is necessary to transfer cargoes for that port to lighter-draft vessels. This transfer was usually made at Kingston, Ontario, directly from the vessel to the river barges. During the season of 1890 grain for Montreal began to be transferred at Ogdensburg, N. Y., where there are large elevators and storage capacity. Although the orders in council granting the rebate were absolute in terms, the Canadian Government at first declined to pay the rebate on grain transshipped at Ogdensburg, and did not decide to do so until after the close of navigation. In the meantime the business of transshipment at Ogdensburg was seriously embarrassed.

To prevent such transshipment at Ogdensburg the Canadian Government, in its order in council, issued March 25, 1891, providing for the usual rebate of 18 cents per ton on grain for Montreal and ports east during the season of 1891, inserted a new condition, as follows: "Transshipment if at a *Canadian* intermediate port shall not prevent the refund aforesaid being made." Since then no rebate has been allowed on grain for Montreal transshipped at an American port.

On the 4th instant the Canadian Government issued a similar order in council for the present year, 1892, reducing by rebate the tolls on grain carried through the Welland and St. Lawrence canals for Montreal or ports east from 20 cents to 2 cents per ton. Its conditions are as follows:

That the products aforesaid on which the rebate of tolls may be claimed shall be shown to have been originally shipped for Montreal or for some port east of Montreal, and shall be shown to have been carried to Montreal or to some port east of Montreal, and actually sent out of the country.

That the right to this rebate shall not be lost by reason of intermediate transshipment, provided that the place of such transshipment is one within the Dominion of Canada.

That the right to this rebate shall extend to any portions of cargoes lightered at Port Colborne and reshipped at Port Dalhousie, and also to shipments of the above-named products made from any Canadian Lake Ontario port.

That payment of the amount to be refunded be made from time to time as cargoes of the said products are dispatched for export from Montreal or from some port east of Montreal.

This order discriminates against our citizens in at least three respects:

(1) In that it makes the toll on grain for export from Montreal and other Canadian ports east of Montreal 2 cents per ton, while the toll on grain for export from American ports is 20 cents per ton.

(2) In that even the lesser rate is refused on grain for Montreal and ports east, if it has been transshipped at an American port, while it is allowed if transshipped at a Canadian port.

(3) In that the 2-cent rate only is levied on grain for Montreal and ports east from any Canadian Lake Ontario port, while the 20-cent rate is exacted on grain for the same destination from American Lake Ontario ports. This is a new discrimination not contained in the order of March 25, 1891.

As a result of this system of rebates it appears from the official canal statistics of Canada that during the season of 1890, on 228,513 tons of grain carried through the Welland Canal to Montreal only \$4,570 toll

was exacted, while on 245,932 tons of grain which passed down the same canal to Ogdensburg, Oswego, and other United States ports \$49,186 was exacted.

The tariff of tolls on coal is no less discriminating. April 11, 1890, the Canadian Government issued an order reducing the toll on coal passing down the canal from 20 cents to 10 cents per ton, but leaving the full toll of 20 cents on coal bound up the canal. According to the official canal statistics of Canada during the season of 1890, 22,781 tons of coal, paying a toll of 10 cents per ton, were carried down the canal in Canadian vessels. Only 515 tons were carried down in American vessels. Of the coal carried up the canal and compelled to pay a toll of 20 cents, 116,616 tons were carried between ports of the United States, 17,280 from a United States to a Canadian port, and 80 tons only between Canadian ports. An adjustment of up and down tolls on coal producing so discriminating results could hardly have been unintentional. The same results are seen in the general business of the canals. It is alleged that of the total cargo tonnage of the Welland Canal during the year 1890, 57 per cent destined for American ports paid more than 72 per cent of its tolls, and 43 per cent destined from Canadian ports paid less than 28 per cent.

The Department has not yet been able to obtain a copy of the official canal statistics of Canada for the navigation season of 1891, nor is it informed whether they are yet published. It is represented to the Department, however, by the Lake Carriers' Association, of Buffalo, that the traffic passing through the Welland Canal in 1891 for Ogdensburg alone paid \$55,037.05 toll, while if the same traffic had been bound for Montreal or ports east, the toll would have been only \$7,360.94. There was also \$5,719.56 collected on grain for Montreal, which was transshipped at Ogdensburg, which, if transshipped at a Canadian port, would have only paid \$571.96, making a total discrimination in the use of the Welland Canal against the business of the port of Ogdensburg alone for the season of 1891 of \$52,823.71. It is further represented that its traffic was compelled to pay the full toll of 15 cents in the St. Lawrence canals, while the Montreal grain traffic passed through them free. It was also deprived of its natural share of the business of transshipping grain intended for Montreal and ports east.

The Commissioner of Navigation, in his annual report for 1888, called attention to the discrimination of the Canadian Government against our citizens with respect to the navigation of its canals. The Secretary of the Treasury referred the matter to this Department, and Mr. Bayard, on the 21st of July, 1888, wrote the British minister about it. The latter, on the 13th of August, 1888, replied, transmitting a copy of a report of the Canadian privy council. There appears to have been no further diplomatic correspondence at that time. (Foreign Relations, 1888, pp. 813, 814, and 824.)

Recently this subject was again presented to the Department quite fully by a memorial from the Lake Carriers' Association, of Buffalo, N. Y., dated September 18, 1891. Since then memorials have also been received from the Milwaukee Chamber of Commerce, the Chicago Board of Trade, the Detroit Board of Trade, the Cleveland Board of Trade, the Oswego Board of Trade, the Rochester Chamber of Commerce, and from other associations and individuals. A copy of the memorial of the Lake Carriers' Association was transmitted to Her Majesty's minister at this capital October 10, 1891, with a request for such explanation of the facts in the case as he might desire to make. The Department's note stated that the matter was one of special importance to our

people at that season and asked him to give it his early consideration. Sir Julian replied, October 12, that he would bring the matter to the attention of his Government. At the conference which was held at this Department in February last with the British minister and the commissioners from the Canadian Government this subject was presented, and assurance was given by the Canadian commissioners that the complaint of this Government should have prompt consideration, and that the question of canal tolls should be satisfactorily adjusted. Still no reply has been received to that complaint, but by its order in council of the 4th instant the Canadian Government has continued its system of discrimination.

It does not relieve the position of the Dominion Government with respect to the grain rebate, that considerable of the grain carried to Montreal and the east is shipped from ports of the United States, and that, the transportation of such grain being open to American vessels, they can secure the rebate on the same conditions on which it is given to Canadian vessels. The reciprocal equality which is stipulated for in the treaty in the use of the Welland and other Canadian canals is not to the vessels of the two countries, but to "the citizens of the United States" and to "the inhabitants of the Dominion." An equality in the use of the canals to American vessels would not alone satisfy the conditions of the treaty. The distinction between the vessel and the cargo is recognized by the Canadian Government, which exacts distinct tolls for each. Neither does the treaty provide for equality in tolls only. The conditions imposed upon the use of the canals discriminate against American shippers and consumers, American transportation companies and routes, and American ports. The present practice of the Canadian Government is probably even a greater discrimination against our citizens than if directed against our vessels.

On the 2d of February last a communication was received from the Hon. N. C. Blanchard, chairman of the Committee on Rivers and Harbors of the House of Representatives, in which he said that his committee would appreciate any information as to

whether there is anything in existing treaties between Great Britain and the United States which would prevent the imposition of tolls by the United States upon commerce destined for Canadian ports, using, or going through, the St. Clair Flats Ship Canal, or the canal and lock at the Sault Ste. Marie, in retaliation for tolls imposed at the Welland Canal, should the Government of the Dominion of Canada fail to recognize its obligation growing out of the twenty-seventh article of the treaty of Washington.

You replied on the 15th of February that--

the only treaty stipulation in force applicable to the use by American and Canadian citizens of the canals connected with the Great Lakes and the St. Lawrence River is contained in the twenty-seventh article of the treaty of Washington and is clearly intended to be reciprocal in character.

At the same time you said that the complaint which was the subject of his letter had been

brought to the attention of the Canadian commissioners now (then) in this city and an assurance given by them that the complaint which we have preferred shall have careful and prompt consideration, with a view to a faithful observance of the treaty stipulation.

It has been repeatedly urged upon this Department by our citizens that the action of Canada in this matter ought to be met by retaliation in kind. Its recent order in council, continuing the discrimination, compels consideration of the wisdom of that course as the only remedy left. The spirit of the treaty imposes no other or different obligation

upon this Government as regards American canals than is imposed upon the Government of the Dominion as regards Canadian canals; neither does the strictest interpretation of its language, except with respect to the canal of the St. Clair Flats. Copies of the correspondence are attached hereto.

Respectfully submitted.

FRANK C. PARTRIDGE,
Solicitor.

DEPARTMENT OF STATE,
Washington, October 10, 1891.

SIR: I have the honor to apprise you of the receipt of a memorial from the Lake Carriers' Association, of Buffalo, N. Y., under date of the 18th ultimo, in which they complain of discrimination by the Canadian Government against citizens of the United States in the use of the Welland Canal in contravention of article 27 of the treaty of 1871. In view of its statements I have thought it proper to furnish you with a copy, which I now have the honor to do, and request such explanation of the facts in the case as you may desire to make.

As the matter is one of special importance to our people at this season of the year, may I ask that you will kindly give it your early consideration.

I have the honor to be, with the highest consideration, sir,

Your most obedient servant,

WILLIAM F. WHARTON,
Acting Secretary.

Sir JULIAN PAUNCEFOTE, G. C. M. G., K. C. B., etc.

WASHINGTON, *October 12, 1891.*

SIR: I have the honor to acknowledge the receipt of your note of the 15th instant inclosing copy of a memorial from the Lake Carriers' Association, of Buffalo, complaining of discrimination by the Canadian Government against citizens of the United States in the use of the Welland Canal in contravention of article 27 of the treaty of 1871, and to inform you at the same time that I will bring this matter to the attention of my Government.

I have the honor to be, with the highest consideration, sir,

Your most obedient, humble servant,

JULIAN PAUNCEFOTE.

Hon. WILLIAM F. WHARTON, etc.

DEPARTMENT OF STATE,
Washington, March 17, 1892.

SIR: I have the honor to refer to the discussion which took place in the conferences lately held at this Department between the Secretary of State, yourself, and the Canadian commissioners respecting the discriminating tolls in the Canadian canals, and to inclose herewith a copy of a letter from the Lake Carriers Association, dated Buffalo, N. Y., the 11th instant, containing figures showing the amounts of the discrimination in question.

The Department will greatly appreciate your courtesy in forwarding a copy of this letter at once to the Canadian authorities for their information in connection with the promised satisfactory adjustment of the question of canal tolls.

Accept, Mr. Minister, the assurance of my high consideration.

WILLIAM F. WHARTON,
Acting Secretary.

Sir JULIAN PAUNCEFOTE, G. C. M. G., K. C. B., etc.

WASHINGTON, *March 21, 1892.*

SIR: With reference to your note of the 17th of March, inclosing a letter from the Lake Carriers' Association on the subject of discriminating tolls in the Canadian canals, I have the honor to inform you that I have transmitted a copy of your note and of its inclosure to the governor-general of Canada.

I have the honor to be, with the highest consideration, sir,

Your most obedient, humble servant,

JULIAN PAUNCEFOTE.

H. C. W. F. WHARTON, etc.

No. 113.]

CONSULATE-GENERAL OF THE UNITED STATES,
Ottawa, March 28, 1891.

SIR: I have the honor to inclose a printed slip, taken from the official gazette, issued to-day, fixing the tolls on wheat and other cereals passing through the Welland and St. Lawrence canals during the season of 1891. It is understood that these tolls apply as well to American bottoms as to others.

Parliament will meet April 29, 1891.

I am, sir, your obedient servant,

RICHARD G. LAY,
Consul-General.

HON. WILLIAM F. WHARTON,
Assistant Secretary of State, Washington, D. C.

[Order in council.]

AT THE GOVERNMENT HOUSE AT OTTAWA,
Wednesday, 25th day of March, 1891.

Present: His excellency the governor-general in council.

His excellency having had under consideration the tariff of tolls on the canals of the Dominion, and the several orders in council under which a special rate has from time to time been established temporarily on certain food products passing through the Welland Canal and through the St. Lawrence canals for shipment at Montreal and ports east of Montreal, is pleased to order, in virtue of the power vested in him by chapter 37 of the Revised Statutes, intituled "An act respecting the Department of railways and canals," and by and with the advice of the Queen's privy council for Canada, that the following amendments shall be and the same are hereby made to the tariff of tolls in force on the said canals, viz:

A refund shall be made on the tolls collected on wheat, Indian corn, pease, barley, rye, and (if for export) oats which may be carried through the Welland Canal and the St. Lawrence canals to Montreal or any port east of Montreal.

The refund shall be such as to reduce the tolls to 2 cents per ton of the said products or any of them, and the conditions of such refund shall be the following:

- (1) The products aforesaid, on which the refund may be claimed, shall be shown to have been originally shipped for Montreal or some port east of Montreal before entering the Welland Canal, and
- (2) Shall be shown to have been actually carried to Montreal or some port east of Montreal.
- (3) Transshipment, if at a Canadian intermediate port, shall not prevent the refund aforesaid being made.

This order in council shall remain in force only for the present year, 1891.

JOHN J. MCGEE,
Clerk, Privy Council.

No. 93.]

DEPARTMENT OF STATE,
Washington, April 8, 1891.

SIR: The Department has received the following telegram from Ogdensburg, N. Y., dated the 4th instant:

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.:

An order in council passed at Ottawa, March 25 ultimo, reducing by refund canal tolls on grain passing through Welland and St. Lawrence canals to Montreal to 2 cents per ton contains clause which, by inference, seems to discriminate against transfer of grain of this class at United States ports.

The clause referred to reads as follows:

"Transshipment, if at a Canadian intermediate port, shall not prevent the reduction aforesaid made."

If the same refund of toll is not allowed on this class of shipments when transferred from lake vessels to canal barges at United States ports, as when transfer is made as at Canadian ports, it will result in serious detriment of interests at Ogdensburg, and United States marine engaged in this traffic. Heretofore the refund of tolls has been made regardless of whether transfer was made at Canadian or United States ports.

F. W. BALDWIN,
Manager Ogdensburg Transit Company.

I have to instruct you with reference to the above, to investigate fully Mr. Baldwin's case of complaint and to report to the Department thereon, at your earliest convenience.

I am, sir, your obedient servant,

WILLIAM F. WHARTON,
Assistant Secretary.

RICHARD G. LAY, Esq.,
Consul-General of the United States, Ottawa.

No. 98.]

DEPARTMENT OF STATE,
Washington, May 14, 1891.

SIR: I have to transmit herewith inclosed copy of two letters received by the Department relating to a modification of the rates of toll on the Welland Canal and the St. Lawrence canals, recently made by an order in council, under which discrimination is thought to be made against vessels transferring freight at American ports. I have to request you to report upon the matter.

I am, sir, your obedient servant,

WILLIAM F. WHARTON,
Acting Secretary.

RICHARD G. LAY, Esq.,
Consul-General of the United States, Ottawa.

Messrs. Penfield, Lyon & Co. to Mr. Blaine.

OFFICE OF PENFIELD, LYON & CO.,
Oswego, N. Y., April 24, 1891.

SIR: Asking your notice of an "order in council" stated at the Government house in Ottawa March 25, 1891, issued "by and with the advice of the Queen's privy council for Canada," continuing the discrimination against the United States in the matter of tolls on grain carried eastward through the Welland Canal.

(The order directs the refund of 90 per cent of the tolls collected on all such grain bound for Montreal or any port east of Montreal, whether carried through in one bottom or transhipped at an intermediate port.)

We desire to know if such discrimination in favor of Canadian and against American ports and business is not a violation of the spirit and intent of the Treaty of Washington, while the Dominion of Canada enjoys the free and unrestricted use of the canals of the State of New York, the Sault St. Marie Canal, and other canals within the United States; and if the United States Government would not be as fully justified in the imposition of tolls on all grain passing through the Sault St. Marie Canal, and refunding the same to all such grain unloaded in United States ports.

We are,

PENFIELD, LYON & CO.

OGDENSBURG TRANSIT COMPANY,
Ogdensburg, N. Y., April 4, 1891.

MY DEAR SIR: Confirming my telegram of to-day, I beg to call your attention to the following "order in council," as published in the Canada Gazette of March 28 ult.

"AT THE GOVERNMENT HOUSE AT OTTAWA,
Wednesday, 25th day of March, 1891.

"Present: His excellency the governor-general in council.

"His excellency, having had under consideration the tariff of tolls on the canals of the Dominion and the several orders in council under which a special rate has from time to time been established temporarily on certain food products passing through the Welland Canal and through the St. Lawrence canals for shipment at Montreal and ports east of Montreal, is pleased to order, in virtue of the power vested in him by chapter 37 of the Revised Statutes, entitled 'An act respecting the department of railways and canals,' and by and with the advice of the Queen's privy council for Canada, that the following amendments shall be, and the same are hereby, made to the tariff of tolls in force on the said canals, viz:

"A refund shall be made on the tolls collected on wheat, Indian corn, pease, barley,

rye, and (if for export) oats which may be carried through the Welland Canal and the St. Lawrence canals to Montreal or any port east of Montreal.

"The refund shall be such as to reduce the tolls to 2 cents per ton of the said products or any of them, and the conditions of such refund shall be the following:

"1. The products aforesaid, on which the refund may be claimed, shall be shown to have been originally shipped for Montreal or some port east of Montreal before entering the Welland Canal; and

"2. Shall be shown to have been actually carried to Montreal or some port east of Montreal.

"3. Transshipment, if at a Canadian intermediate port, shall not prevent the refund aforesaid being made.

"This order in council shall remain in force only for the present year, 1891.

"JOHN J. MCGEE,
"Clerk Privy Council."

With reference to this order, permit me to explain that, on account of the small locks and the shallow water of the St. Lawrence canals between Ogdensburg and Montreal, the much deeper draft vessels that bring grain for Montreal from the western lake ports are unable to go through to Montreal, and consequently such grain must be transferred to small light-draft barges at some point between the Welland Canal and the lower St. Lawrence canals.

Heretofore this transfer has been made through floating elevators at Kingston or through permanent elevators located at Ogdensburg, N. Y., which latter have been built with special reference to this traffic.

On account of the better facilities and other advantages offered at Ogdensburg it seemed probable that a large portion of this transfer business would in the future be done at Ogdensburg instead of Kingston. In consequence of this probability, it is known that parties interested in having this class of grain transferred at Kingston instead of Ogdensburg have urged upon the Canadian Government that the "order in council" providing for the rebate of canal tolls on this class of grain for the year 1891 be so framed as to prevent refund of tolls on grain transferred at Ogdensburg or other United States ports.

The exact meaning of the order as issued and as quoted herein is somewhat vague and indefinite, and although technically it does not preclude the refund of tolls paid on grain transferred at United States ports, yet the effect is the same, as grain shippers generally give it that interpretation and believe that under this "order" no refund of tolls paid on grain transferred at United States ports will be made, and consequently will not ship Montreal grain to be transferred at Ogdensburg so long as the question of refunding the tolls is in doubt; and this will result to the serious disadvantage and loss of large interests at Ogdensburg, and also take away from many American boats running between the upper lake ports and Ogdensburg a large volume of business, which they could secure if there were no discrimination against United States ports in this matter.

It is probable that if private parties interested were to ask for more full interpretation of the "order in council" above reported, that consideration of such request would be delayed until so late in the season of navigation that the result to American interests would be serious, even though the final interpretation should be favorable to transferring grain at American ports.

We take the liberty of bringing this matter to your attention, thinking that it may be considered of sufficient importance to justify such action as may result in speedy knowledge to the American interests affected, as to the actual meaning of the "order in council."

I am, etc.,

F. W. BALDWIN,
Manager.

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

CANADIAN CANAL TOLLS.

Report by Consul-General Lay, of Ottawa.

DISCRIMINATION AGAINST TRANSSHIPMENTS AT AMERICAN PORTS.

In compliance with the Department's instructions of April 8, 1891, and May 14, 1891, in reference to the complaints of Ogdensburg and Oswego shippers that the order in council of March 25, 1891, discriminates against transshipments at American ports, excluding them from participating in the refund of tolls allowed on grains

passing through the Welland and St. Lawrence canals to Montreal and points east of that city, I have to report as follows:

I addressed a letter of inquiry to the chief of the canal department (copy of letter marked inclosure 1), and received reply (copy of letter marked inclosure 2) referring me to the order in council of March 25, 1891 (copies inclosed). I was advised by one of the officials of the department to wait a while before making my report, as the subject of tolls was then still before the council, and the annual report was expected to be out very soon. I send by mail, under separate cover, two copies of the report, which is just out.

I also inclose copy of my letter of May 19, 1891 (marked inclosure 3), to Sir John Macdonald, minister of railways and canals, asking an interpretation of the order in council of March 25, 1891, and whether it excluded American ports from the benefit of the refund on transshipment at such ports. Having received no reply to this letter as yet, I have determined not to delay my report any longer.

It will be seen that the canal tolls are fixed at 20 cents per ton, allowing a rebate of 18 cents per ton on transshipment at Canadian ports only. There can be no doubt as to the effect of this order, whatever the intention may have been.

The large size of the boats from the upper lakes and the small locks of the canal and shallow water below Ogdensburg necessitate the transshipment of nearly all grain destined for the seaboard by way of the lakes and River St. Lawrence.

The superior facilities for landing grain at Oswego and Ogdensburg, the rapidity of its transportation by canal and rail to Montreal and New York, with nominal freight rates at the latter port, were, no doubt, the causes which led to the discrimination in favor of the Canadian route.

I am informed by the consul at Kingston, Ontario, that the transshipment of grain there is the largest business done, and that last year about one-seventh of the business was directed to Ogdensburg, American railroads, in a measure, taking the place of the Canadian canals.

There is no doubt now that grain transhipped at an American port will cost 18 cents per ton canal tolls more than if transhipped at a Canadian port.

I have extracted from the report of railways and canals for 1891 some statistics pertaining to the subject, and attach them hereto.

RICHARD G. LAY,
Consul-General.

UNITED STATES CONSULATE-GENERAL,
Ottawa, May 28, 1891.

[Inclosure 1 in Consul-General Lay's report.]

Consul-General Lay to Hon. M. Bowell, Minister of Customs.

CONSULATE-GENERAL OF THE UNITED STATES,
Ottawa, April 14, 1891.

DEAR SIR: I have the honor to request to be informed if the rebate on grain freight passing through the Welland and St. Lawrence canals, authorized by order in council passed March 25, 1891, will be allowed on transshipments at United States ports as at Canadian ports.

I am etc.,

RICHARD G. LAY,
Consul-General.

[Inclosure 2 in Consul-General Lay's report.]

The Secretary of Railways and Canals to Consul-General Lay.

DEPARTMENT OF RAILWAYS AND CANALS,
Ottawa, April 21, 1891.

SIR: In acknowledging your letter of the 14th instant, transferred from the department of customs, relating to rebate on grain freight passing through the Welland and St. Lawrence canals authorized by order in council dated March 25, 1891, and asking whether it be allowed on transshipments at United States ports as at Canadian ports, I am, in reply thereto, directed to forward you the accompanying copy of the said order in council above referred to.

I have, etc.,

A. P. BRADLEY,
Secretary.

[Order in council.]

GOVERNMENT HOUSE,
Ottawa, Wednesday, March 25, 1891.

Present, his excellency the governor-general in council.

His excellency, having had under consideration the tariff of tolls on the canals of the Dominion and the several orders in council under which a special rate has, from time to time, been established temporarily on certain food products passing through the Welland Canal and through the St. Lawrence canals for shipment at Montreal and ports east of Montreal, is pleased to order, in virtue of the powers vested in him by chapter 37 of the revised statutes, intituled "An act respecting the department of railways and canals," and by and with the advice of the Queen's privy council for Canada, that the following amendments shall be, and the same are hereby, made to the tariff of tolls in force on the said canals, viz:

A refund shall be made on the tolls collected on wheat, Indian corn, pease, barley, rye, and (if for export) oats which may be carried through the Welland Canal and the St. Lawrence canals to Montreal or any port east of Montreal.

The refund shall be such as to reduce the tolls to 2 cents per ton of the said products or any of them, and the conditions of such refund shall be the following:

(1) The products aforesaid, on which the refund may be claimed, shall be shown to have been originally shipped for Montreal or some port east of Montreal before entering the Welland Canal; and

(2) Shall be shown to have been actually carried to Montreal or some port east of Montreal.

(3) Transshipment, if at a Canadian intermediate port, shall not prevent the refund aforesaid being made.

This order in council shall remain in force only for the present year, 1891.

JOHN J. MCGEE,
Clerk of the Privy Council.

REVENUE FROM CANALS.

DEPARTMENT OF RAILWAYS AND CANALS,
Ottawa, March 31, 1891.

In carrying out the provisions of the foregoing order in council, the collector of canal tolls at Port Colborne, Welland Canal, will collect the full rate of tolls and issue an official voucher therefor; the reduction will be paid by the department as a refund upon evidence being furnished by the shippers that the conditions of the order in council have been complied with.

The vouchers, properly indorsed, must in all cases accompany the application for a refund of the tolls referred to.

B. H. TEAKLES,
Chief Clerk, Canals Revenue.

DEFINING THE ORDER IN COUNCIL.

GOVERNMENT HOUSE,
Ottawa, Wednesday, April 29, 1891.

Present, his excellency the governor-general in council.

His excellency, under the authority conferred upon him by chapter 37 of the revised statutes, intituled "An act respecting the department of railways and canals," and by and with the advice of the Queen's privy council for Canada, is pleased to order that the provisions of the order in council of the 25th day of March, 1891, authorizing the reduction of toll to two cents (2 cents) per ton for the passage through the Welland and St. Lawrence canals of certain agricultural products therein named shall be understood to apply to any portions of such cargoes lightered at Port Colborne and reshipped at Port Dalhousie, and also that the provisions of the said order be made applicable to the therein named products when shipped from Canadian Lake Ontario ports.

JOHN J. MCGEE,
Clerk of the Privy Council.

REDUCTION OF CANAL TOLLS.

Certified copy of a report of a committee of the honorable the privy council, approved by his excellency the governor-general in council on the 18th of May, 1891.

The committee, on recommendation of the minister of railways and canals, advise, with reference to the orders in council dated, respectively, the 25th of March and the 29th of April last, authorizing the reduction of canal tolls on certain food products, the provisions of which orders are carried out by way of refund of the excess of tolls paid, that such refund be made after the close of the present season, on or about the 1st day of December, and not during the season, as heretofore.

JOHN J. MCGEE,
Clerk of the Privy Council.

[Inclosure 3 in Consul-General Lay's report.]

Consul-General Lay to Sir John Macdonald.

UNITED STATES CONSULATE-GENERAL,
Ottawa, May 19, 1891.

SIR: Application has been made to the Department of State at Washington to know whether the order in council of March 25, 1891, in reference to rebate on canal tolls precludes transshipments made at United States ports from the benefit of such refund.

It is understood that shippers of grain by the lakes and Welland and St. Lawrence canals construe the order in council as excluding the refund to all such transshipments.

I am instructed by the Department to report on this subject, and I have the honor to request to be informed by you of the proper interpretation of said order as applying to United States ports.

I am, etc.,

RICHARD G. LAY,
Consul-General.

[Inclosure 4 in Consul-General Lay's report.—From the official report of 1891.]

BUSINESS AND REVENUE OF CANADIAN CANALS.

The total revenue from canal tolls for the season of 1890 was \$318,059, compared with \$381,109 the previous year, an apparent decrease of \$33,049, but an actual decrease, taking an account of rebates, of \$25,959.46.

Of the 245,932 tons of grain which passed through the Welland Canal to United States ports 16,433 tons were transhipped at Ogdensburg and passed down the St. Lawrence to Montreal.

As this was a new departure in the transshipment of grain for Montreal, and not anticipated at the time of passing the order for the reduction of tolls on grain, it was not considered that the transshipment of grain at a United States port came under the order in council of February 27, 1890. Upon the urgent request of the forwarders and others, his excellency in council, on the 22d of November, 1890, passed an order in council authorizing a refund of tolls paid on the Welland and St. Lawrence canals above 2 cents a ton on the quantity of grain so transhipped at Ogdensburg for Montreal. The rebate on the former amounted to \$2,957.94 and on the latter to \$232.04.

The quantity of grain passed down the Welland Canal from United States ports to United States ports has steadily increased each year, from 47,029 tons in 1880 to 245,932 tons in 1890, an increase of 198,903 tons.

The quantity that reached Montreal through these canals for 1890 was 228,513 tons, compared with 267,769 tons in 1889 and 333,806 tons in 1888, showing a decrease for 1890 from 1889 of 39,256 tons and from 1888 of 105,293 tons.

The railways have become great competitors with the canals for the through grain trade. While the through grain traffic on the canals is declining, the quantity carried eastward by rail is yearly increasing both in Canada and the United States.

The canal grain trade decreased 11.92 per cent in Canada last year and 8.94 per cent in the United States, while the increase in the quantity of grain carried by rail was 25.55 per cent in Canada and 22.72 per cent in the United States.

The quantity of barley, corn, oats, pease, rye, and wheat arrived at Montreal via the Grand Trunk and Canadian Pacific railways for a period of nine years is reported as follows:

Year.	Quantity.	Year.	Quantity.
	<i>Tons.</i>		<i>Tons.</i>
1882.....	75,020	1887.....	191,760
1883.....	98,472	1888.....	113,704
1884.....	142,271	1889.....	94,943
1885.....	160,821	1890.....	119,208
1886.....	165,613		

The quantity of the same articles passed down the whole length of the St. Lawrence canals to Montreal for the same period was as follows:

Year.	Quantity.	Year.	Quantity.
	<i>Tons.</i>		<i>Tons.</i>
1882.....	230,055	1887.....	237,881
1883.....	263,368	1888.....	166,191
1884.....	174,496	1889.....	275,414
1885.....	134,824	1890.....	242,571
1886.....	272,133		

The quantity of grain passed down the whole length of the St. Lawrence canals to Montreal is as follows: 1889, 275,414 tons; 1890, 242,571 tons; decrease, 32,843 tons.

The quantity of grain to Montreal via the Canadian Pacific and Grand Trunk railways is reported as follows: 1889, 94,943 tons; 1890, 119,208 tons; increase, 24,265 tons.

The quantity of grain to tide water by New York canals is reported as follows: 1889, 1,242,804 tons; 1890, 1,131,289 tons; decrease, 111,615 tons.

The quantity of grain carried to tide water by the New York railways is reported as follows: 1889, 2,481,501 tons; 1890, 3,045,302 tons; increase, 563,801 tons.

The increase and decrease for 1890, as compared with 1889, on the several routes competing for the carrying trade to the seaboard are as follows:

Routes.	Quantity.		Percentage.	
	Increase.	Decrease.	Increase.	Decrease.
	<i>Tons.</i>	<i>Tons.</i>	<i>Per cent.</i>	<i>Per cent.</i>
St. Lawrence canals.....		32,843		11.92
Canadian Pacific and Grand Trunk railways.....	24,265		25.55	
New York canals.....		111,615		8.94
New York railways.....	563,801		22.72	

TRANSHIPMENT OF GRAIN.

Two Canadian vessels took their cargoes of 1,064 tons of grain through to Montreal intact in 1888, against 1 with 425 tons in 1889, and 3 with 1,281 tons in 1890; 39 Canadian vessels lightered their cargoes at Kingston in 1888, against 51 in 1889 and 63 in 1890; 201 vessels discharged the whole of their cargoes at Kingston in 1888, against 267 in 1889 and 172 in 1890. The quantity of grain transhipped at Port Colborne in 1890 and the three previous years is given below. The total number of grain-laden vessels lightered at the port in 1890 was 83, against 47 in the previous year. Three vessels entered the canal without unloading in 1889, but none in 1890.

The quantity of grain lightered was as follows:

Grain.	1887.	1888.	1889.	1890.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>
Wheat.....	83,850	11,440	37,222	4,310
Corn.....	263,277	133,014	254,600	773,687
Oats.....			8,218	44,294

The quantity of grain passed down the Welland Canal in Canadian and United States vessels to Kingston for five years is as follows:

Year.	Canadian vessels.		United States vessels.	
	No.	Tons.	No.	Tons.
1886.....	244	143,330	97	62,222
1887.....	284	178,231	19	12,477
1888.....	182	143,025	60	43,667
1889.....	208	165,117	114	108,358
1890.....	203	184,275	35	35,560

The quantity of grain discharged in this port from vessels which did not enter the canal was as follows:

Grain.	1888.		1889.	
	Bushels.	Tons.	Bushels.	Tons.
Wheat.....	72,592	8,208
Corn.....	23,575

Notwithstanding the enlargement of the Welland Canal, the number of vessels having to lighter a portion of their cargoes from 45 to 80 tons each has reached 83, the highest number for any year since 1880. Of these, 81 were United States steam vessels and 2 United States sailing vessels.

Mr. Lay to Mr. Wharton.

No. 124.]

CONSULATE OF THE UNITED STATES,
Ottawa, June 12, 1892. (Received June 17.)

SIR: I have the honor to inclose herewith three copies of a report of a committee of the privy council approved May 18, 1891, fixing the time for paying the refund on canal tolls at the end of the season, on or about December 1, 1891.

I beg to refer the Department to instruction No. 93, of April 8, No. 98, of May 14, and to my dispatch No. 122, of May 28, 1891, on this subject.

I am, etc.,

RICHARD G. LAY,
Consul-General.

[Inclosure in Mr. Lay's No. 124.]

Certified copy of a report of a committee of the honorable the privy council, approved by his excellency the governor-general in council, on the 18th May, 1891.

The committee, on the recommendation of the minister of railways and canals, advise, with reference to the orders in council dated, respectively, the 25th of March and the 29th of April last, authorizing the reduction of canal tolls on certain food products, the provisions of which orders are carried out by way of refund of the excess tolls paid, that such refund be made after the close of the present season, on or about the 1st day of December, and not during the season, as heretofore.

JOHN J. McFEE,
Clerk of the Privy Council.

Mr. Lay to Mr. Wharton.

No. 173.]

CONSULATE-GENERAL OF THE UNITED STATES,
Ottawa, April 7, 1892. (Received April 12.)

SIR: I have the honor to inclose herein two copies of an order in council passed April 4, 1892, amending "An act respecting railways and canals" in relation to Canadian canal tolls for 1892, on wheat, Indian corn, pease, barley, rye, oats, flaxseed,

and buckwheat that passes through the Welland Canal and the St. Lawrence canals to Montreal or to any port east of Montreal.

I beg to refer the Department to my dispatch on this subject, No. 122, of May 28, 1891, which applies as well to this year as last.

It will be seen that the tolls remain the same as last season, namely, 20 cents per ton, and the rebate 18 cents per ton. This rebate or refund reduces the tolls to 2 cents per ton on the products above named, provided they are shown to be originally shipped for Montreal or for some other port east of Montreal and shall be shown to have been carried to Montreal or to some port east of Montreal and actually sent out of the country; that the right to this rebate shall not be lost by reason of immediate transshipment, provided that the place of transshipment is one within the Dominion of Canada; that the right to the rebate shall extend to any portions of cargoes lightered at Port Colborne and reshipped at Port Dalhousie, and also to shipments of the above-named products made from any Canadian Lake Ontario port; that the payment of the amount to be refunded will be made from time to time as the cargoes of the said products are dispatched for export from Montreal or from some port east of Montreal. This order to remain in force for the year 1892 only.

I also enclose, as a matter of interest in this connection, an extract from official sources of the capacity of Canadian canals along the St. Lawrence River, viz, the maximum length, width, and draft of vessels which these canals will pass, and also the average time it takes for vessels to pass to and from Chicago through these canals.

I am, etc.,

RICHARD G. LAY,
Consul-General.

[Inclosure 1 in No. 173. From the Canada Gazette.]

Order in Council of April 4, 1892.

AT THE GOVERNMENT HOUSE AT OTTAWA,
Monday, the 4th day of April, 1892.

Present: His excellency the governor-general in council.

His excellency having had under consideration the tariff of tolls on the canals of the Dominion and the several orders in council under which a special rate has from time to time been established temporarily, on certain food products passing through the Welland Canal and through the St. Lawrence canals for shipment at Montreal and ports east of Montreal, is pleased to order, in virtue of the powers vested in him by chapter 37 of the revised statutes, intitled "An act respecting the department of railways and canals," and by and with the advice of the Queen's privy council for Canada, that the following amendments shall be, and the same are hereby, made to the tariff of tolls in force on the said canals, viz:

That a refund be made of a portion of the canal tolls collected on wheat, Indian corn, pease, barley, rye, oats, flaxseed, and buckwheat, which have been carried through the Welland Canal and the St. Lawrence canals to Montreal or to any port east of Montreal, in all cases where the said products so carried are exported, and in such cases only.

That this rebate be such as to reduce the tolls to 2 cents per ton of the said products or any of them, and that the conditions of such refund be the following:

That the products aforesaid on which the rebate of tolls may be claimed shall be shown to have been originally shipped for Montreal or for some other port east of Montreal, and shall be shown to have been carried to Montreal or to some port east of Montreal and actually sent out of the country.

That the right to this rebate shall not be lost by reason of intermediate transshipment, provided that the place of such transshipment is one within the Dominion of Canada.

That the right to this rebate shall extend to any portion of cargoes lightered at Port Colborne and reshipped at Port Dalhousie, and also to shipments of the above-named products made from any Canadian Lake Ontario port.

That payment of the amount to be refunded be made from time to time as cargoes of the said products are dispatched for export from Montreal or from some port east of Montreal.

That this order in council remain in force for the present year (1892) only.

JOHN J. MCGEE,
Clerk Privy Council.

[Inclosure 2 in No. 173.]

Order in council of March 25, 1891.

AT THE GOVERNMENT HOUSE AT OTTAWA,
Wednesday, the 25th day of March, 1891.

Present: His excellency the governor-general in council.

His excellency, having had under consideration the tariff of tolls on the canals of the Dominion and the several orders in council under which a special rate has from time to time been established temporarily on certain food products passing through the Welland Canal and through the St. Lawrence canals for shipment at Montreal and ports east of Montreal, is pleased to order, in virtue of the powers vested in him by chapter 37 of the revised statutes, entitled "An act respecting the department of railways and canals," and by and with the advice of the Queen's privy council for Canada, that the following amendments shall be, and the same are hereby, made to the tariff of tolls in force on the said canals, viz:

A refund shall be made on the tolls collected on wheat, Indian corn, pease, barley, rye, and (if for export) oats which may be carried through the Welland Canal and the St. Lawrence canals to Montreal or any port east of Montreal.

The refund shall be such as to reduce the tolls to 2 cents per ton of the said products, or any of them, and the conditions of such refund shall be the following:

(1) The products aforesaid on which the refund may be claimed shall be shown to have been originally shipped for Montreal or some port east of Montreal before entering the Welland Canal; and

(2) Shall be shown to have been actually carried to Montreal or some port east of Montreal.

(3) Transshipment, if at the Canadian intermediate port, shall not prevent the refund aforesaid being made.

This order in council shall remain in force only for the present year, 1891.

JOHN J. MCGEE,
Clerk Privy Council.

In carrying out the provisions of the foregoing order in council, the collector of canal tolls at Port Colborne, Welland Canal, will collect the full rate of tolls and issue an official voucher therefor; the reduction will be paid by the department as a refund upon evidence being furnished by the shippers that the conditions of the order in council have been complied with.

The vouchers, properly indorsed, must in all cases accompany the application for a refund of the tolls referred to.

B. H. PEAKLES,
Chief Clerk, Canals Revenue.

DEPARTMENT OF RAILWAYS AND CANALS,
Ottawa, March 31, 1891.

[Inclosure 3 in No. 173.]

Order in council of April 29, 1891.

AT THE GOVERNMENT HOUSE AT OTTAWA,
Wednesday, the 29th day of April, 1891.

Present: His excellency the governor-general in council.

His excellency, under the authority conferred upon him by chapter 37 of the revised statutes entitled "An act respecting the department of railways and canals," and by and with the advice of the Queen's privy council for Canada, is pleased to order that the provisions of the order in council of the 25th day of March, 1891, authorizing the reduction of toll to 2 cents per ton for the passage through the Welland and St. Lawrence canals of certain agricultural products therein named, shall be understood to apply to any portions of such cargoes lightered at Port Colborne and reshipped at Port Dalhousie, and also that the provisions of the said order be made applicable to the therein-named products when shipped from Canadian Lake Ontario ports.

JOHN J. MCGEE,
Clerk Privy Council.

[Inclosure 4 in No. 173.]

Certified copy of a report of a committee of the honorable the privy council, approved by his excellency the governor-general in council, on the 18th of May, 1891.

The committee, on the recommendation of the minister of railways and canals, advise with reference to the orders in council dated, respectively, the 25th of March and the 29th of April last, authorizing the reduction of canal tolls on certain food products, the provisions of which orders are carried out by way of refund of the excess tolls paid, that such refund be made after the close of the present season, on or about the 1st day of December, and not during the season, as heretofore.

JOHN J. MCGEE,
Clerk of the Privy Council.

[Inclosure 5 in No. 173.]

St. Lawrence Canals.—Dimensions of lock, 200 feet by 45 feet; depth of water on sills, 9 feet.

Welland Canal.—Dimensions of lock, 270 feet by 45 feet; depth of water on sills, 14 feet.

The St. Lawrence canals between Montreal and Lake Ontario are in process of being enlarged to the same dimensions as the Welland Canal.

The Merchants' line time-table gives the time for a propeller to pass from Montreal to Chicago to be about eight days; and about six hours less time from Chicago to Montreal.

The Richelieu and Ontario Navigation Company's time-table gives the time for a passenger boat to pass up from Montreal to Prescott through the St. Lawrence canals about twenty-two hours, and from Prescott to Montreal down, via the Rapids, about nine hours.

The average time to pass through the Welland Canal is from fourteen to sixteen hours.

Mr. Wharton to Mr. Lay.

[Telegram.]

DEPARTMENT OF STATE, *Washington, April 8, 1892.*

Send copy of order in council relating to tolls on Welland Canal, if published, and any information respecting it.

WHARTON.

Mr. Lay to Mr. Wharton.

No. 174.]

CONSULATE-GENERAL OF THE UNITED STATES,
Ottawa, April 9, 1892. (Received April 12.)

SIR: I have the honor to acknowledge the receipt of the Department's telegram of April 8, 1892, as follows: "Send copy of order in council relating to tolls in Welland Canal, if published, and any information respecting it."

I now inclose the proof, which I obtained by the courtesy of Mr. Tenkles, of the amendment to the order in council of April 4, 1892, inclosed in my dispatch No. 173, of April 7, 1892, which I had written and delayed sending, expecting the issuance of the inclosed amendment.

I will send copies when they are printed.

My dispatch No. 173, April 7, 1892, will give full information regarding these tolls.

I am, etc.,

RICHARD G. LAY,
Consul-General.

AT THE GOVERNMENT HOUSE AT OTTAWA,
Monday, the 4th day of April, 1892.

Present: His excellency the governor-general in council.

His excellency, having had under consideration the tariff of tolls on the canals of the Dominion, and the several orders in council, under which a special rate has from

time to time been established temporarily on certain food products passing through the Welland Canal and through the St. Lawrence canals for shipment at Montreal and ports east of Montreal, is pleased to order, in virtue of the powers vested in him by chapter 37 of the revised statutes, entitled "An act respecting the department of railways and canals," and by and with the advice of the Queen's privy council for Canada, that the following amendments shall be, and the same are hereby, made to the tariff of tolls in force on the said canals, viz:

That a refund be made of a portion of the canal tolls collected on wheat, Indian corn, pease, barley, rye, oats, flaxseed, and buckwheat which have been carried through the Welland Canal and the St. Lawrence canals to Montreal or to any port east of Montreal in all cases where the said products so carried are exported, and in such cases only.

That this rebate be such as to reduce the tolls to 2 cents per ton of the said products or any of them, and that the conditions of such refund be the following:

That the products aforesaid on which the rebate of tolls may be claimed shall be shown to have been originally shipped for Montreal, or for some port east of Montreal, and shall be shown to have been carried to Montreal, or to some port east of Montreal, and actually sent out of the country.

That the right to this rebate shall not be lost by reason of intermediate transshipment, provided that the place of such transshipment is one within the Dominion of Canada.

That the right to this rebate shall extend to any portions of cargoes lightered at Port Coleman and reshipped at Port Dalhousie, and also to shipments of the above-named products made from any Canadian Lake Ontario port.

That payment of the amount to be refunded be made from time to time as cargoes of the said products are dispatched for export from Montreal or from some port east of Montreal.

That this order in council remain in force for the present year (1892) only.

JOHN J. MCGEE,
Clerk of the Privy Council.

In carrying out the provisions of the foregoing order in council (of the 4th of April, 1892) the collector at Port Colborne will collect the full rate of tolls on the Welland Canal and issue an official receipt therefor.

The authorized reduction of tolls will be paid by the department, as a refund, upon evidence being furnished that the conditions of the order in council have been complied with.

The vouchers, properly indorsed, and certificate of export must in all cases accompany the application for a refund of the tolls referred to.

B. H. TEAKLES,
Chief Clerk, Canals Revenue.

DEPARTMENT OF RAILWAYS AND CANALS,
Ottawa, April 5, 1892.

LAKE CARRIERS' ASSOCIATION,
Buffalo, N. Y., September 18, 1891.

SIR: I inclose herewith a copy of a resolution unanimously adopted at a meeting of the board of managers of the Lake Carriers' Association, held in this city on the 18th day of September, 1891; also a copy of the statement or brief addressed to you, to which said resolution refers.

I also send under separate cover a copy of supplement No. 1 to the last annual report of the Canadian department of railways and canals, which is frequently referred to in the statement or brief.

Respectfully calling the attention of your Department to the gross injustice to our citizens as shown by the accompanying documents, I remain,

Very respectfully yours,

C. H. KEEP, *Secretary.*

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

At a meeting of the board of managers of the Lake Carriers' Association, held at Buffalo, N. Y., on this 18th day of September, 1891, the following resolution was unanimously adopted:

Resolved, That the secretary forward to the Department of State at Washington the annexed statement or brief relating to tolls on the Welland Canal discriminating against American vessels, ports, and citizens, and respectfully urge the Govern-

ment of the United States to take prompt and energetic measures in the direction therein indicated to secure to our vessels, ports, and citizens their full rights under the treaty of May 8, 1871.

A true copy:

S. D. CALDWELL, *President.*

C. H. KEEP, *Secretary.*

LAKE CARRIERS' ASSOCIATION,
Buffalo, N. Y., September 18, 1891.

Sir: The approaching conference between commissioners appointed by the government of the Dominion of Canada and representatives of our own Federal Government, to consider the subject of reciprocal trade relations between Canada and the United States, leads this association, which represents the organized vessel owners of the Great Lakes, to call the attention of the Department of State to what it believes to be a persistent and deliberate violation on the part of the Dominion government of Article XXVII of the treaty between Great Britain and the United States which bears date May 8, 1871, and is known as the treaty of Washington. The article above referred to reads as follows:

"The Government of Her Britannic Majesty engages to urge upon the government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence, and other canals of the Dominion on terms of equality with the inhabitants of the Dominion; and the Government of the United States engages that the subjects of Her Britannic Majesty shall enjoy the use of the St. Clair Flats Canal on terms of equality with the inhabitants of the United State, etc."

The following is a brief statement of the facts showing a violation of this article on the part of the Canadian government by the imposition of tolls and the institution of a system of rebates on the Welland Canal which discriminates against citizens of the United States and in favor of the inhabitants of the Dominion of Canada:

The Canadian government imposes cargo tolls on traffic passing through the Welland Canal. In the case of grain, flour, feed, etc., these tolls are 20 cents per ton. For some years past, however, the Canadian government has, just before the opening of lake navigation, issued an order in council granting a rebate of 18 cents per ton of the tolls on grain traffic passing through the Welland Canal, provided the grain was carried through to Montreal or some port east of Montreal. As the class of boats engaged in carrying grain from the upper lakes through the Welland Canal is unable to pass through the St. Lawrence canals it has been customary to transfer their grain cargoes, when destined to Montreal, to lighter draft vessels. This transfer up to the season of 1890 was made at the Canadian port of Kingston. During the season of 1890 about 16,000 tons of grain which passed through the Welland Canal and was destined for Montreal was transferred from lake vessels to river barges at the port of Ogdensburg, N. Y. At Kingston grain is transferred directly from the vessel to the river barges, but at Ogdensburg, where there are large elevators and storage capacity, the grain was transferred through an elevator.

As this grain was chiefly destined for ocean export from Montreal, the process of transfer at Ogdensburg had decided advantages over that at Kingston. The grain having been taken from the lake vessel into the elevator at Ogdensburg, could be stored there until the ocean steamer on which it was to be shipped was about ready to load in Montreal. It could then be transferred to barges and reach Montreal just when it was needed for loading. By this means a considerable expense was avoided and a considerable advantage gained over the system of transfer practiced at Kingston, where the river barges often arrived in Montreal a considerable period of time before the ocean steamer at that port was ready to load, in which case the grain was held to await the steamer, at considerable expense. Although the order in council granting rebate on Montreal grain for the season of 1890 was absolute in terms and contained no provision confining the payment of such rebate to grain transhipped at one port rather than another, the Canadian government at first declined to pay the rebate on the grain transhipped at Ogdensburg, but took the matter under consideration and made no decision until about the close of navigation for the season. It was then decided that the rebate must be paid on the grain transferred at Ogdensburg, and such payment was made. The effect, however, of the government's action in withholding its decision until the close of navigation was to put an end almost entirely to the transshipment of grain at Ogdensburg because the forwarders were uncertain as to whether they would get their rebate or not, and did not care to assume the risk of an unfavorable decision by the Canadian authorities.

On March 25, 1891, the Canadian government issued a new order in council, providing for the usual rebate of 18 cents per ton on Montreal grain during the season of 1891. This order, however, differed from orders made in former years, and the

conditions of the rebate are stated in the order as follows: "First, the products aforesaid on which the refund may be claimed shall be shown to have been originally shipped for Montreal or some port east of Montreal before entering the Welland Canal. Second, they shall be shown to have been actually carried to Montreal or some port east of Montreal. Third, transshipment, if at a Canadian intermediate port, shall not prevent the refund aforesaid being made."

While the third condition above stated does not state unequivocally that transshipment at an American intermediate port will prevent the refund, it is generally so interpreted. There can be no doubt that the intention in wording this condition was to carry the impression that on Montreal grain transferred at Ogdensburg the refund would not be paid. As a matter of fact a few cargoes of Montreal grain have been transferred at Ogdensburg during the present year, for the purpose of testing this order in council, and in each case a demand for a refund has been refused. Shortly after the first of these cargoes was transferred at Ogdensburg the Canadian government issued an order that no rebated tolls under the order in council would be paid until the close of navigation. It is, of course, impossible to say absolutely what the purpose of this last order was, but it seems quite likely that it was intended to postpone definite action in this matter until after the reciprocity conference in October, so that at the time of such conference the Canadian commissioners could claim that in spite of the wording of condition three of the order in council above referred to, no actual discrimination had yet been made between transshipment at American and Canadian ports.

So much for the facts relating to rebates on grain passing through the Welland Canal.

Supplement No. 1 to the annual report of the Canadian minister of railways and canals (a copy of which is sent herewith) contains the canal statistics for the season of navigation of 1890. In it will be found a verification of all the facts hereinbefore set forth relating to the year 1890. The statements relating to the order in council and the course of proceeding for the year 1891 can be easily verified by your department through the United States consul at Prescott or the consul general at Ottawa.

It may be well to point out certain other facts drawn from the official report of the operations of the Welland Canal for the season of navigation of 1890, as contained in the supplement above referred to. From that report it appears that in the year 1890 there passed down the Welland Canal to Canadian ports 363,839 tons of freight, of which 212,080 obtained a rebate of nine-tenths of the canal tolls. During the same season there passed down the canal to the United States ports 327,833 tons of freight, of which only 16,433 tons obtained any rebate whatever. It also appears that in the year 1890 there passed down the Welland Canal in Canadian vessels 326,149 tons of freight, of which 184,275 tons obtained a rebate of nine-tenths of the tolls exacted at the canal. During the same season there passed down the canal in United States vessels 362,477 tons of freight, of which only 52,459 tons obtained any rebate whatever. On traffic up the canal no rebates of tolls were paid, but of such traffic up the canal in the year 1890, 251,342 tons was bound to American ports and only 38,724 tons to Canadian ports. Of this traffic 219,726 tons was carried in American vessels and only 72,340 tons in Canadian vessels.

It also appears in the report that during the year 1890, 178,988 tons of coal was carried up and 23,396 tons of coal was carried down through the Welland Canal. Of the coal carried up 161,616 tons was carried between ports of the United States; 92 tons was carried between Canadian ports, and 17,280 tons from a United States to a Canadian port. It will thus be seen that the up traffic in coal through the canal consisted almost entirely of a movement in the United States coastwise trade, and was, therefore, necessarily carried in United States vessels. On this up movement of coal full tolls of 20 per cent per ton were exacted. Of the down movement of coal, however, 22,781 tons was carried to Canadian ports, and all of this was carried in Canadian vessels. Only 615 tons of coal was carried down through the canal in an American vessel or to an American port. On the 11th of April, 1890, the Dominion Government issued an order reducing the toll on coal passing down the canal from 20 cents to 10 cents per ton, but leaving the full toll of 20 cents on coal bound up the canal.

It also appears from this official report that of the Montreal grain transferred at Kingston during the season of 1890, 184,275 tons was carried to Kingston in Canadian vessels, and 35,560 tons in vessels of the United States.

The Lake Carriers' Association believes that the facts hereinbefore set forth show very plainly a violation by the Dominion Government both of the spirit and letter of the twenty-seventh article of the treaty of Washington, for the following reasons:

First. The effect of the rebates on Montreal grain is to allow practically all the grain which passes through the Welland Canal bound for Canadian ports to go through at a toll of only 2 cents per ton, while the grain which passes the canal bound for United States ports is obliged to pay a toll ten times as great. It is under-

stood that the Dominion Government claims that, the treaty is not hereby violated because the grain carried to Canadian ports is shipped from ports of the United States; that therefore the carriage of such grain is open both to American and Canadian vessels, and that the rebate is paid alike to the vessels of both countries. Therefore they claim that the use of the Welland Canal is given to Canadian and United States vessels on equal terms. It is to be noted, however, that the twenty-seventh article of the treaty of Washington secures the equal use of the canal not only to American and Canadian vessels but to the citizens of the two countries. The purpose and intent of that article is clearly to prevent the Canadian Government, by the use of vexatious canal regulations, or by any device of discriminating tolls, rebates or refunds, from giving to their own vessels or to their own ports, or to their own consumers or citizens any advantage over American vessels or American ports or American consumers or citizens. If the intent of the treaty had been simply to secure to vessels of the two countries equal rights in the canal, such intention would have found its natural expression by using the word "vessels" in the article. It is clear that the intent of the article is to cover a broader ground and to secure the use of the canal on equal terms not only for American vessels but for American ports, consumers, and business interests. The grain rebates are, therefore, in clear violation of the treaty.

When an American vessel loaded with grain for an American port passes the Welland Canal by what citizens of the United States is the canal used? Is it not used as well by the owners or consignees of the cargo, as by the owners or charterers of the vessel? Manifestly it is used by both, and the Canadian Government distinctly recognizes this fact by exacting tolls from both. On every steam vessel passing the canal a toll of 1½ cents per registered ton, and on every sailing vessel a toll of 2½ cents per registered ton is collected. In addition to these vessel tolls, tolls are exacted on the cargo, and it is on these cargo tolls that discrimination is made. When two vessels loaded with grain arrive at the canal together, one cargo destined for Ogdensburg or Oswego, and the other destined for Montreal, and the Canadian Government exacts a toll ten times as great on the cargo destined for the United States port as on the cargo destined for the Canadian port it is clear that the use of the canal is not secured on equal terms for the citizens of both countries. On the principal commodity passing the canal there is an audacious discrimination against American forwarders, ports, consumers, and routes of export and in favor of Canadian forwarders, ports, consumers, and routes of exports. In the year 1890 on 228,513 tons of grain carried through the Welland Canal to Montreal only \$4,570 tolls was exacted, while on 245,932 tons of grain which passed down the canal to Ogdensburg, Oswego, and other United States ports \$49,186 was exacted. Surely this is not giving the use of the canal on equal terms to inhabitants of the Dominion and citizens of the United States. A careful study of the official canal statistics for the year 1890 shows that the Dominion Government collected on the Welland Canal over and above all refunds cargo tolls to the amount of \$134,000, and that of these tolls cargo destined for American ports paid \$97,060 and cargo destined for Canadian ports only \$37,000. Of the total cargo tonnage of the canal 57 per cent destined for American ports paid more than 72 per cent of the tolls; 43 per cent destined for Canadian ports paid less than 28 per cent of the tolls. With only one-third more cargo than Canada we paid nearly three times as much in cargo tolls.

Mention has already been made of the difference in the rates of toll on west-bound and east-bound coal, and in the statement of facts above given it is shown that on this article as well as on grain there is a clear discrimination against citizens of the United States. The west-bound coal is nearly all carried between United States ports, and therefore necessarily on American vessels. Twenty cents a ton is exacted on this traffic. The same commodity when carried through the canal east-bound is nearly all carried to Canadian ports and on Canadian vessels. By an order in council made last year only ten cents a ton is exacted thereon.

Second. There is the clearest possible case of discrimination against citizens of the United States in the third condition attached to the refund of grain tolls as such condition appears in the order in council granting such refunds for the year 1891. That condition implies, in the plainest possible manner, that nine-tenths of the grain tolls will be refunded on Montreal grain in case such grain is transferred at Kingston, but that no such refund will be made if such transfer is made at Ogdensburg. If the Canadian Government claims that no refunds whatever are now being made, that the whole subject will be taken up at the close of the season of navigation, and that refunds on grain transferred at Ogdensburg have not yet been definitely refused, it is sufficient to say that the clear and necessary effect of this condition in the order in council is to drive the business away from the Ogdensburg route. So long as a condition thus expressed appears in the order in council granting grain refunds, no forwarder of grain can prudently tranship it at Ogdensburg.

Third. The system of tolls now in use in the Welland Canal is a discrimination against American vessels as well as against American ports, consumers, routes of ex-

port, and forwarders. By confining the granting of grain refunds to grain transhipped at Kingston, the Canadian Government thus excludes from the operation of the refund order the regularly organized lines of American vessels running to Ogdensburg. It confines the benefits of the order in council to American vessels which may run to a certain Canadian port and while this Montreal grain shipped from ports of the United States, and for that reason its carriage from such ports to Kingston is open to vessels of the United States, as a matter of fact this line of the carrying trade is in the hands of Canadian vessels. We have seen also that in the east-bound coal traffic through the canal, where such traffic is almost entirely carried in Canadian vessels, a toll is exacted only one-half as great as in the case of the west-bound traffic in the same commodity, such west-bound traffic being almost entirely United States coastwise trade, and therefore necessarily in the hands of American vessels. We submit that it is not giving the use of the Welland Canal to United States vessels on terms of equality with those of the Dominion to select lines of trade which are in the hands of United States vessels, and in such cases to exact full cargo tolls while granting greatly reduced rates of cargo tolls in lines of trade which are, as a matter of fact, in the hands of Canadian vessels.

Believing that the facts and reasons above given show a clear violation by the Canadian Government of the treaty obligations entered into by Great Britain on its behalf, we have thought this a most opportune time for bringing the whole subject to the attention of your Department. In a few weeks the commissioners appointed by the Dominion Government will visit Washington for the express purpose of conferring with representatives of the United States on the reciprocal trade relations of the two countries. A favorable opportunity will thus be afforded for bringing this matter formally to the attention of the Dominion Government, and for demanding that henceforth the Welland Canal shall be open for business to citizens of the United States on terms of equality with the inhabitants of the Dominion, without discrimination against either American ports, consumers, forwarders, or vessels. Should the Canadian Government not grant redress, and should it continue to hold that the regulations now in force are no violation of the treaty, then the United States Government would certainly be free to place upon the treaty the same construction placed upon it by the Canadian Government.

It could, therefore, place in force upon the St. Clair Flats Canal, and the St. Marys Falls Canal, a system of tolls which would operate against Canadian vessels and ports just as the Welland Canal tolls operate against our own.

Suppose the United States should put in force regulations whereby all vessels passing the St. Clair Flats Canal or St. Marys Falls Canal bound for any port of the United States should be allowed to pass without paying tolls while high cargo tolls were exacted from all vessels passing these canals bound for any Canadian port? Such regulations could certainly not be complained of by the Canadian government. If it were found as a matter of fact that any particular commodity carried to any Canadian ports through these canals was usually carried in American vessels, or was a trade from which the business interests of the United States were deriving benefit, then such commodity might be exempted from the payment of tolls just as Montreal grain and east-bound coal are partly exempted on the Welland Canal, leaving, however, all Canadian coastwise business through these canals and all business through these canals bound to Canadian ports and usually carried in Canadian vessels subject to such heavy tolls.

Simple justice to American forwarders and vessel owners requires that on grain bound for Montreal the same tolls should be exacted at the St. Clair Flats Canal that are now exacted at the Welland Canal on grain destined for ports of the United States.

Very respectfully yours,

LAKE CARRIERS' ASSOCIATION,
Per C. H. KEEP, Secretary.

Hon. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

[Extracts from Supplement No. 1 to the Annual Report of the Canadian Department of Railways and Canals for the year ended June 30, 1890.]

QUANTITY OF GRAIN PASSED DOWN THE WELAND CANAL.

The quantity of barley, corn, oats, pease, rye, and wheat passed down the Welland Canal from ports west of Port Colborne for a period of 11 years is as follows:

Year.	Quantity passed down to Montreal on which a refund of tolls was allowed.*	Quantity on which full toll was paid.	
		To ports in Ontario.	Quantity from United States ports to United States ports.
	Tons.	Tons.	Tons.
1880.....	333,806		47,029
1881.....	146,127		64,351
1882.....	180,694		63,881
1883.....	186,814	10,650	121,876
1884.....	142,194	12,153	104,537
1885.....	36,659	11,909	117,346
1886.....	203,946	9,881	151,551
1887.....	185,034	11,838	154,898
1888.....	160,358	25,539	169,684
1889.....	267,769	19,075	213,786
1890.....	228,513	16,859	245,932

* A refund of 10 cents per ton was allowed on grain passed down the Welland and St. Lawrence canals to Montreal for 1884 and to June, 1885, and 18 cents per ton from 1st July, 1885, to December, 1890.

From the foregoing figures it will be seen that the quantity of grain passed down the Welland Canal from United States ports to United States ports has steadily increased each year from 47,029 tons in 1880 to 245,932 tons in 1890, being an increase of 198,903 tons, and an increase over the previous year of 32,166 tons. The quantity to Montreal shows a decrease of 39,256 tons for 1890 from the previous year, and 104,293 tons less than in 1880.

THROUGH TRAFFIC BETWEEN MONTREAL AND PORTS ON LAKES ERIE, MICHIGAN, ETC.

The total quantity of freight passed eastward and westward through the Welland and St. Lawrence canals, from Lake Erie to Montreal, during ten years, is as follows:

Year.	Eastward.*	Westward.†
	Tons.	Tons.
1881.....	109,213	37,190
1882.....	108,835	24,438
1883.....	205,394	27,488
1884.....	168,715	9,425
1885.....	132,068	16,115
1886.....	244,514	16,801
1887.....	213,834	14,075
1888.....	183,899	19,310
1889.....	298,197	25,370
1890.....	231,746	31,951

* Allowed to pass through the St. Lawrence canals free, per order in council, 21st April, 1881, and a refund of 18 cents per ton of Welland Canal tolls on grain for 1885, 1886, 1887, 1888, 1889, and 1890.

† Allowed to pass through the Welland Canal free, per order in council, 21st April, 1881.

FREIGHT FROM UNITED STATES PORTS TO UNITED STATES PORTS.

The total quantity of freight passed eastward and westward through the Welland Canal, from United States ports to United States ports, for a period of ten years, is as follows:

Year.	Eastward.	Westward.
	<i>Tons.</i>	<i>Tons.</i>
1881.....	96,266	97,907
1882.....	110,286	172,520
1883.....	174,912	257,699
1884.....	103,998	243,081
1885.....	168,212	216,297
1886.....	244,916	239,562
1887.....	189,427	151,074
1888.....	221,062	213,689
1889.....	207,353	266,231
1890.....	318,259	215,698

It will thus be seen that the quantity of freight passed eastward through the Welland Canal from United States ports to United States ports shows a very marked increase, having increased from 96,266 tons in 1881 to 318,259 tons in 1890, and which is an increase of 20,906 tons over the previous year.

CHAMBER OF COMMERCE,
Milwaukee, October 22, 1891.

DEAR SIR: I have the honor to transmit to your Department, and to the President of the United States, the following resolutions adopted at a meeting of the board of directors of the Chamber of Commerce of the City of Milwaukee held on the 21st instant, and beg to request that you will take such course in the premises as you may deem expedient.

Yours, very truly,

W. J. LANGSON, Secretary.

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

Resolutions adopted by the board of directors of the Chamber of Commerce of the City of Milwaukee.

Whereas, The system of tolls and rebates adopted by the Canadian government on the Welland Canal by confining the rebates of tolls to cargoes shipped to Canadian ports and to cargoes transferred at Canadian ports for such shipment, and by subjecting the traffic in which American vessels are mostly engaged to much higher tolls than the traffic in which Canadian vessels are mostly engaged, constitutes a discrimination against citizens of the United States in the use of said canal in violation of the spirit of the treaty obligations entered into by Great Britain in its behalf: Therefore,

Resolved, That the Department of State of the United States be earnestly requested to bring this matter formally before the Dominion Government, and to demand that henceforth the Welland Canal shall be open for business to citizens of the United States on terms of equality with the inhabitants of the Dominion without discrimination against either American ports, consumers, forwarders, or vessels, in accordance with the obligations of the existing treaty between Great Britain and the United States, known as the treaty of Washington.

Resolved, That a copy of these resolutions be sent to the President of the United States and to the Secretary of State at Washington.

[SEAL.]

Attest:

L. P. BACON,
President.
W. J. LANGSON,
Secretary.

A memorial was received from the Chicago Board of Trade dated October 30, 1891, in the same language as the memorial of the Lake Carriers' Association of Buffalo, N. Y., dated September 18, 1891, printed above.

BOARD OF TRADE OF THE CITY OF DETROIT,
Detroit, November 11, 1891.

Hon. JAMES G. BLAINE,
Secretary of State, Washington, D. C.:

The Board of Trade of the City of Detroit desires respectfully to call your attention to alleged discriminations, or vexatious regulations said to be established by the Canadian government in the matter of tolls collected on cargoes passing the Welland Canal against vessels or cargoes bound for an American port, and in favor of cargoes bound for Canadian ports. Rebates of 18 cents, from a 20-cent rate per ton, are granted on cargoes bound for Montreal, or ports east of Montreal; but if such cargoes are transferred at Ogdensburg, Oswego, or other American port, such rebates are not allowed, or if allowed, so much doubt or vexatious delays are incurred as practically to close these ports to such commerce and force trade into Canadian ports at an increased expense to shippers. For instance: Official reports of Canadian Departments of Railways and Canals show that during 1890 363,839 tons of freight passed the Welland Canal for Canadian ports. Of this, 212,580 tons obtained the rebate of 18 cents per ton. During the same season 327,833 tons passed the canal bound for United States ports. Of this only 16,433 tons obtained any rebate. During the same season there passed down the Welland Canal in Canadian vessels 326,149 tons of freight; of which 184,425 tons obtained the rebate of 18 cents per ton. During the same season United States vessels carried 362,477 tons of freight, of which only 52,459 tons obtained the rebate.

In 1890 228,513 tons of grain, carried through the Welland Canal to Montreal, paid only \$4,570 tolls, while on 245,932 tons of grain which passed the canal to Ogdensburg, Oswego, and other United States ports, \$49,186 was exacted. With such a record surely the American trade is not equally favored with that of the Dominion.

Early in the present season (viz, of 1891) the Canadian government issued an order that no rebates whatever would be paid until the close of navigation; but so much doubt is thrown about the probability of any rebates being allowed even then on cargoes shipped to American ports below the canal, as seriously to interfere and injure the trade of those ports and all trade by citizens of the United States, for this difference of 18 cents per ton is a burdensome tax and sometimes almost prohibitory, being practically a tax of over one-half cent per bushel on every bushel not allowed the rebate. We believe that it was the intent of the twenty-seventh article of the treaty of Washington to secure both to American and Canadian vessels and citizens equal privileges in the use of the Welland Canal, the same as is granted to all vessels passing the canals through St. Clair Flats and about the falls of the Sault St. Marys River, but the experience of shippers to American ports proves to them that such is not the case.

We believe that the foregoing statements, and others of equal force that might be given, show a clear violation of treaty obligations existing between the two governments, to which we desire respectfully to call your attention. At this time the matter is laid before you, because in the near future it is probable a conference may be held between commissioners representing the Dominion and our own Governments, looking to the reestablishment of reciprocal relations. Such an occasion would be a favorable one for the consideration of this subject, and we respectfully petition that in the negotiation of a treaty of that kind this question may be settled so clearly and by such definite terms as to preclude any doubt and forbid any discrimination relative to the trade of American citizens passing the Welland or other canals belonging to the Dominion.

Adopted unanimously November 10, 1891, and signed.

JAS. H. DONOVAN, *President.*
 GEO. M. LANE, *Secretary.*

BOARD OF TRADE ROOMS,
Cleveland, Ohio, November, 14, 1891.

At a meeting of the Board of Trade of Cleveland, held this day, the following protest to discrimination against American citizens and tonnage passing through the Welland Canal was unanimously adopted and the secretary directed to forward the same to Hon. James G. Blaine, Secretary of State, Washington, D. C.

(See memorial of Detroit Board of Trade).

WM. EDWARDS, *President.*
 A. C. BEGGY, *Secretary.*

OSWEGO, N. Y., November 21, 1891.

DEAR SIR: The request made to you by the Board of Trade of Chicago, a synopsis of which I inclose, is just and timely. If an opportunity occurred, residents of the State of New York, particularly those residing on the northern frontier, would, without party distinction, unite in the request made by said board. It is a well-known and understood fact that the Canadian government have, in violation of the spirit, if not of the letter, of the treaty of Washington, discriminated in favor of consignments made to Canadian ports, in order to compel the shipment of grain through Canada by the Montreal route.

Anything you may be able to do to correct this long existing evil will be appreciated by intelligent American citizens everywhere.

Believing you will give this subject the attention which it deserves, I am,

Respectfully, yours,

MAX B. RICHARDSON.

Hon. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

BOARD OF TRADE ROOMS,
OSWEGO, N. Y., November 24, 1891.

SIR: The Board of Trade of the City of Oswego, N. Y., respectfully invites the attention of the honorable Secretary of State to the discrimination practiced by the Dominion of Canada against citizens of the United States in respect to tonnage passing through the Welland Canal, being in direct violation of the spirit of the treaty between Great Britain and the United States.

The tolls on said canal on merchandise per ton, 20 cents, and on vessels, regular tonnage, 2½ cents, which also includes St. Lawrence canal tolls, are remitted on all cargoes exported via St. Lawrence canals, but on all cargoes passing through United States ports on Lake Ontario no rebate of Canadian canal tolls is allowed.

Attention is respectfully called to the fact that the discrimination is not against vessels but against routes, and in order to obtain the rebate, cargoes must go via Montreal for export. If these cargoes are received at Oswego or Ogdensburg, and are exported by way of New York city or Portland, no rebate is allowed by the Dominion Government.

This is especially grievous to citizens of the United States, as the Soo', Erie, Oswego, Champlain, and all United States canals are free in every respect to Canada, and as the grain tonnage forms a very large and important part of the commerce of our Great Lakes as well as of the whole country, the evasion of the treaty by Canada is all the more flagrant, and works directly against the commercial interests of every United States port on Lake Ontario, and to the corresponding advantage of Canadian ports.

In view of the approaching conference between this Government and that of the Dominion of Canada, this board respectfully requests the honorable Secretary to secure for our citizens perfect equality with reference to commerce passing through the Welland Canal.

D. M. IRWIN,
President,
J. B. LATIROP,
Secretary.

Hon. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

ROCHESTER CHAMBER OF COMMERCE,
ROCHESTER, N. Y., December 8, 1891.

SIR: The Rochester Chamber of Commerce respectfully invites your attention to the discrimination practiced by the authorities of the Dominion of Canada against citizens of the United States in respect to tonnage passing through the Welland Canal.

Shippers at our port of Charlotte complain that this discrimination consists in a rebate of 18 cents from a 20-cent rate per ton on cargoes bound to Montreal, but if transferred at Charlotte, Oswego, or other United States ports, such rebates are not allowed. This difference of 18 cents is practically a tax of one-half a cent per bushel of wheat; and the discrimination is not against vessels but against routes. American canals are free to Canadian vessels, and the discrimination complained of is, there-

fore, all the more grievous to citizens of the United States, and works great injury to an important portion of the commerce of our Great Lakes.

This chamber of commerce respectfully requests that the honorable Secretary of State will endeavor to secure for our citizens perfect equality with reference to commerce passing through the Welland Canal.

Respectfully yours,

E. T. CURTIS, *President.*
GEORGE MOSS, *Secretary.*

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

Mr. Payne to Mr. Blaine.

HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., January 9, 1892. (Received January 19.)

MY DEAR SIR: I herewith file with you papers in reference to the alleged violation of the treaty of Washington relating to discriminating tolls imposed on cargoes through the Welland Canal which do not take the course of the St. Lawrence River.

This discrimination is a great burden to commerce destined to New York city through our Lake Ontario ports, and destined to Portland, Me., by the way of Ogdensburg, N. Y.

There is a very strong feeling in northern New York upon the subject, especially in view of the fact that all of our State canals are as free to Canadian boats and owners as they are to our own citizens.

If it is deemed desirable that Congress should take any action in the matter, I shall be very happy to present the question.

Yours very truly,

SERENO E. PAYNE.

[Inclosure 1. From Chicago Tribune April 25.]

Discrimination on Canadian canals.

By the treaty of Washington of 1871 it was agreed that the Americans should have the use of the Welland, St. Lawrence, and other Canadian canals "on terms of equality with the inhabitants of the Dominion," the United States giving to the Canadians the use of the Sault Ste. Marie Canal and allowing Canadian vessels to come into Lake Michigan and take cargoes at Chicago for Canadian points.

It has been claimed for some time that the spirit at least of the treaty had been violated by the Dominion government, and that better terms were given to Dominion than to American vessels using the Welland Canal. Senator Cullom, of the Committee on Interstate Commerce, in a report just made, says:

"An unjust discrimination is made by Canada against American vessels on the lakes in the matter of entrance and clearance fees. Vessels passing through the Welland Canal bound to Montreal have a rebate made of a portion of the tolls paid for canal passage; but if bound to any American port or to the St. Lawrence River no rebate is made. This, the report claims, is a violation of the provisions of the treaty of Washington."

From all the information which the Tribune has been able to gather the discrimination is not so much one against American vessels as against American routes. Whatever is done is done with the object of forcing freight to Montreal and diverting it from Oswego, Ogdensburg, and other American ports on Lake Ontario. It is alleged, for instance, by Government officers at Oswego that a vessel passing through the Welland and continuing on to Montreal or transshipping freight for that point at Kingston gets a rebate of the Welland tolls, while if the vessel went to Oswego and sent its freight to the seaboard via the Oswego and Erie canals it would get no rebate.

There has not been made public, however, any positive evidence of the actual repayment of tolls. Judging by a circular of the Dominion Government the matter is done in another and more ingenious way. It is provided that all goods westward bound which have paid full toll through the whole line of the St. Lawrence canals, the Lachine Canal, or the Ottawa and Rideau shall be allowed to pass free through the Welland, and that all goods eastward bound which have paid full toll through the Welland shall be allowed to pass free through the St. Lawrence canals to Montreal or through the Ottawa and Rideau.

It will be seen that this is not a matter of a rebate. It is simply giving a lower rate to anyone who uses the entire system of Dominion canals. If an American vessel, having passed through the Welland, were to keep on to Kingston and Montreal, it would pay no tolls on the lower canals and would be on "terms of perfect equality" with a Canadian vessel. No vessel, however, having paid the Welland tolls will unload at Ogdensburg or Oswego when it can run on without paying a cent more to Montreal and the head of ocean navigation.

It is a blow at American routes to the seaboard, but not at American products or necessarily at American ships. The Canadians will doubtless say that where a person uses all their canals they can afford to charge him less than when he uses only one of them, and that, therefore, they are not acting unfairly. The question is one which should receive the prompt attention of the State Department, and all will doubtless acquiesce in whatever course it may recommend shall be pursued, for nobody questions Mr. Blaine's Americanism. If it can be shown to the satisfaction of the Department that the treaty has been violated by the payment of rebates, so that Americans were discriminated against, the attention of the British minister should be called to it at once. If it is found that while the letter of the treaty of Washington is observed its spirit is broken, it would be well to give notice that the United States wishes this portion of the treaty to come to an end. That will mean that the Canadians who have not yet built their own canal at the Sault will be unable to use the American one to get in or out of Lake Superior; that their vessels will have to keep out of Lake Michigan, and that they can not ship goods in bond from New York, Boston, etc., to Canada. Whether they would be the gainers or losers by such an arrangement they can easily figure out.

[Inclosure 2.]

Mr. Lyman to Mr. Irwin.

CUSTOM HOUSE, OSWEGO, N. Y.,
Collector's Office, April 16, 1890.

DEAR SIR: Your inquiry as to what, if any, discrimination is made against our commerce in matter of tolls upon Welland Canal is received. In answer, I have to say, if the spirit of the treaty of Washington were observed, there would be no discrimination, but the facts are these: That while having the use of our canals without any conditions as to where they may go, or what they may do after passing same, the Canadian Government have undertaken by a discriminating regulation to drive the export and other trade by way of Montreal, by landing all upper lake merchandise from either Canadian or American vessels upon its docks very much cheaper than they can the same at Charlotte, Oswego, Ogdensburg, or other Lake Ontario or St. Lawrence ports.

All merchandise passing the Welland Canal, destined for Lake Ontario or St. Lawrence River ports above Montreal in either Canadian or American vessels is subject to canal tolls; but if carried as far as Montreal, either for export or consumption, the tolls are rebated even when reshipped from Kingston by other vessels or barges, or by cars, which makes a direct discrimination against our transportation interests and local consumers to the amount of the Welland Canal tolls.

The following are a few of the items of tolls referred to, viz: Vessels, steam, 1½ cents per ton; vessels, sail and others, 2½ cents per ton; passengers, 10 cents each; wood, 20 cents per cord; spars, telegraph poles, etc., 15 cents every 40 feet; railroad ties, 1 cent each; lumber, 30 cents per M.; hop poles, \$2 per M.; timber, \$4.50 per M. cubic feet, barrel staves and headings, 40 cents per M.; pipe staves, \$1.50 per M.; West India staves and headings, 75 cents per M.; grain, flour, iron, meat, vegetables, 20 cents per ton; all other agricultural products, 20 cents per ton; all non-enumerated articles, 20 cents per ton.

This discrimination is not against American vessels but against American commerce and American routes.

My authority for saying that tolls are refunded at Kingston upon merchandise going through to Montreal by other conveyance than the vessel which brought it through the canal, is information from masters and vessel owners. I inclose a copy of Canadian circular relating to refund of tolls at Montreal.

I am, etc.,

H. H. LYMAN,
Collector.

P. S.—As furnishing you some further information I also inclose you copies of letters of the collector of this port to Commissioner of Navigation upon this question, dated July 15, 1888, and September 11, 1889.

Collector of Customs at Oswego to Commissioner of Customs, Washington, D. C.

CUSTOM-HOUSE, OSWEGO, N. Y.,
COLLECTOR'S OFFICE, July 15, 1888.

SIR: Relating to your communication of June 13, 1888, "T. B. S.," I have the honor to state that the Canadian Government has issued orders to collect the same tolls on vessels passing through the Welland Canal during the present season of navigation as were charged last year, namely, 20 cents per ton of grain, 2½ cents per registered ton of vessel.

I would also state that the above tolls are remitted if the cargo is exported via the St. Lawrence River. By this rebate a cargo of 25,000 bushels of grain can be delivered at Oswego for export via the Oswego and Erie canals.

I would further state that the Canadian papers during the past winter repeatedly acknowledged that the granting of the above rebate was a violation of the spirit of the treaty of Washington. The Canadian Government, in the order issued, exhibited the weakness of their position by stating "that the rebate would be granted this year only."

If the Canadian Government is justified in granting the above rebate, thus discriminating against our waterways and ports; then the United States Government is justified in collecting the same rate of tolls as the above, from all vessels (Canadian and American) and their cargoes passing through the Sault Ste. Marie Canal, provided the grain is exported via the St. Lawrence River (there are no American vessels in this trade) and allowing a like rebate at the American ports, provided the grain is exported by the Erie or Oswego and Erie canals, or by railroad.

Respectfully yours,

I. B. FOUCHER,
Collector.

Collector of Customs at Oswego, N. Y., to Commissioner of Navigation, Washington:

CUSTOM-HOUSE, OSWEGO, N. Y.,
Collector's Office, September 11, 1889.

SIR: In answer to yours of September 4, 1889, asking what, if any, discrimination is made against vessels of the United States in the matter of fees in passing the Welland Canal, I have caused inquiry to be made among our masters and vessel-owners. They all report that so far as they know they get same facilities and pay same towing and fees as Canadian vessels. The only discrimination they report is in favor of the Canadian route, viz: Vessels with cargo destined for export via St. Lawrence get rebate of their entire canal tolls at Kingston, Ontario, or if for Montreal get rebate at Montreal.

I will take occasion to make further inquiry and will report to you if I learn anything further or different from what is above stated.

Very respectfully yours,

H. H. LYMAN,
Collector.

The following regulations, from a circular understood to have issued under authority of the Canadian Government, relate to a refund at Montreal of tolls paid:

"All goods having paid full toll through the whole line of the St. Lawrence canals, or through the Lachine Canal, St. Ann's Lock, or Ottawa and Rideau canals, shall be allowed to pass free through the Welland Canal; and, if tolls have been paid at the Chamby Canal, such tolls shall be refunded at Montreal or Kingston Mills; and, having paid full tolls through the Welland Canal, they shall be allowed to pass free through the St. Lawrence canals or through the Ottawa and Rideau canals, St. Ann's Lock, the Lachine Canal, and the Chamby Canal; provided, always, that the articles to be entitled to the above exemption shall go downwards through the whole length of the St. Lawrence canals to Lake Ontario."

H. H. L.

COMMITTEE ON RIVERS AND HARBORS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 2, 1892.

DEAR SIR: The subject of the imposition of tolls on American commerce, or commerce destined for American ports, going through the Welland Canal, by the Gov-

ernment of the Dominion of Canada, was recently the subject of discussion by the River and Harbor Committee of the House.

In the fall of 1891 a conference between commissioners appointed by the Government of the Dominion of Canada and representatives of our Government, to consider the subject of reciprocal trade relations between Canada and the United States, was to have been held, and probably was held. On September 12 the Lake Carriers' Association brought to your attention the subject of tolls charged against American commerce going through the Welland Canal, and requested your good offices in bringing the same to the attention of the conference aforesaid with the view of securing action necessary to carry out the intent, purpose, and spirit of the twenty-seventh article of the treaty between Great Britain and the United States, bearing date May 8, 1871, and known as "The Treaty of Washington."

Will you kindly inform the committee if any action was taken at the said conference, or since then, looking to the free use of Canadian canals by commerce destined to the ports of the United States?

The Committee would also appreciate information from you as to whether there is anything in existing treaties between Great Britain and the United States which would prevent the imposition of tolls by the United States upon commerce destined for Canadian ports, using, or going through the St. Clair Flats Ship Canal, or the canal and lock at the Sault Ste. Marie, in retaliation for tolls imposed at the Welland Canal, should the Government of the Dominion of Canada fail to recognize its obligation growing out of the twenty seventh (27th) article of the "Treaty of Washington."

You will observe that while the St. Clair Flats Canal is mentioned in the aforesaid article of the "Treaty of Washington," the canal and lock at the Sault Ste. Marie is not mentioned.

Yours truly,

N. C. BLANCHARD,
Chairman.

Hon. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

LAKE CARRIERS' ASSOCIATION,
Buffalo, N. Y., February 12, 1892.

SIR: Permit me to call the attention of your Department to the letter of the Lake Carriers' Association to yourself bearing date September 18, 1891, relative to the discriminating tolls now in force on the Welland Canal, and the violation on the part of the Canadian government of the provisions of the twenty-seventh article of the treaty of May 8, 1871. The letter above referred to contains a full statement of the facts in this matter and expresses the earnest hope of the entire vessel-owning interest on the Great Lakes that the State Department will make this violation of the treaty one of the subjects to be considered at the conference on reciprocal trade relations between representatives of the governments of Canada and of the United States. The respectful request of the Lake Carriers' Association, as contained in the letter of September 18, 1891, has also been expressed by many important commercial organizations, boards of trade, etc., on the Great Lakes.

Hoping that the State Department will give this important matter the attention which we think it deserves, we remain,

Very respectfully yours,

LAKE CARRIERS' ASSOCIATION,
By C. H. KEEP, *Secretary.*

Hon. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

DEPARTMENT OF STATE,
Washington, February 15, 1892.

SIR: I have the honor to acknowledge receipt of your letter of the 2d instant, relative to the discrimination of the Canadian government against American citizens in the use of the Welland Canal.

On the 18th of September, 1891, the Lake Carriers' Association presented to this Department a memorial regarding this matter, and the subject was fully presented to Sir Julian Pauncefote, Her Britannic Majesty's Minister at this city, on the 10th of October following. No formal reply thereto has been received beyond an acknowledgment of the receipt of the Department's note and a statement by Sir

Julian that it had been referred to his Government. The matter has been brought to the attention of the Canadian Commissioners now in this city and an assurance given to them that the complaint which we have preferred shall have careful and prompt consideration, with a view to a faithful observance of the treaty stipulation.

Replying to your further inquiry I would say that the only treaty stipulation in force applicable to the use by American and Canadian citizens of the canals connected with the Great Lakes and the St. Lawrence River is contained in the twenty-seventh article of the treaty of Washington, and is clearly intended to be reciprocal in character.

I have the honor to be, sir, your obedient servant,

JAMES G. BLAINE.

Hon. N. C. BLANCHARD,
*Chairman Committee on River and Harbors,
House of Representatives.*

Mr. Payne to Mr. Blaine.

AUBURN, N. Y., *February 16, 1892.* (Received February 29.)

DEAR SIR: I inclose herewith a letter from Judge Churehill, of Oswego, N. Y., in reference to the treaty of Washington and the discrimination made by the Canadian government against American ports.

His letter will bear careful perusal, as he presents some important views on this subject. It is also very timely in connection with the pending negotiations for reciprocity between the Canadian government and ours.

Yours, very truly,

S. E. PAYNE.

[Inclosure with Mr. Payne's letter of February 16, 1892.]

OSWEGO, N. Y., *February 12, 1892.*

MY DEAR SIR: The presence of the representatives of Canada in Washington seems to present a good opportunity to have the question of Welland Canal tolls considered. I observe reciprocity in other directions is to be discussed, but no reference to reciprocity in the use of canals. This is a matter of great importance to Oswego and Ogdensburg in particular and indeed to all Lake Ontario ports.

As I understand the treaty of Washington (ratified June 17, 1871), it provides (article 27) that the British Government should urge upon the Dominion of Canada to secure to the citizens of the United States the use of the Welland and St. Lawrence canals on terms of equality with the inhabitants of the Dominion and that the United States Government should allow the subjects of Great Britain to use the St. Clair Flats Canal on terms of equality with our own people, and would urge upon the State governments to secure to British subjects the use of the State canals on terms of equality with our own people. The only canal the right to use which was given by that treaty was the St. Clair Flats Canal, which the people of Canada have always used on the same terms as our own people.

As to our New York State canals, which are the only canals probably thought of in making the treaty, the tolls on those canals soon after the ratification of the treaty were reduced to an amount sufficient to maintain the canals, and in 1882 by a constitutional amendment all tolls were removed and the maintenance of the canals required to be provided for by a direct tax. The benefit of these changes were allowed to the people of Canada, as well as to our own, since the products of Canada as well as of the United States are carried free of toll to market.

The tolls on the Welland and St. Lawrence canals have been maintained unchanged and are collected equally from American and Canadian vessels, but for some years past have been refunded to such vessels (whether Canadian or American) as unload at Canadian ports. By this a great advantage is given Montreal which is annually increasing its western trade. This probably is not an infringement of the treaty, but it is a discrimination against us which we have a right to take into account in determining our action as to other matters outside the treaty.

You will observe the St. Clair Flats Canal is the only American work the use of which by the treaty is secured to British subjects. The Sault Ste. Marie Canal, the only navigable connection between Lake Superior and the lower lakes and which is in large and daily use by Canadian vessels, as I had an opportunity to observe a year ago last summer, and the Hay Lake Channel, which is an American channel, shortening by several miles the passage from Sault Ste. Marie to Lake Huron with deeper water, are not mentioned.

But, though not mentioned in the treaty, Canadian vessels are using the Sault

Canal and all the expensive improvements made by our Government without charge and without any return whatever.

The treaty, so far as I can judge, does not forbid the imposition by Congress of tolls upon the Canadian vessels passing the Sault Ste. Marie Canal. If such a bill were introduced next Monday, while the Canadian representatives are yet in Washington, it would be sure to attract their attention and probably make canal reciprocity one of the subjects of conference between them and our Government. If believed likely to pass, it would probably lead the Canadian Government to make Welland Canal free to our vessels.

Gen. Curtis's district, as well as yours, is much interested in a free Welland Canal, and I have no doubt the General would be glad to cooperate with you in any way in the matter.

Would it not be well for you and the General to see Mr. Blaine and see whether anything can be done through his Department? If nothing can be done, then, unless you see some objection under the treaty to a law imposing tolls on Canadian vessels passing the Sault, which I do not, I believe the introduction and passage of such a law as suggested would be just in itself and would be productive of valuable results. If introduced its passage would very likely be rendered unnecessary by the Canadian Government hastening to make the Welland Canal free.

Yours very truly,

JOHN C. CHURCHILL.

P. S.—If the Welland Canal were made free it would give immediate relief to American commerce on Lake Ontario, but it would not obviate the necessity of a canal around the Falls of Niagara. It will take some years to build that canal, if begun to-morrow, and meanwhile every port on the south shore of Lake Ontario, from Charlotte to Ogdensburg, would be benefited.

OFFICE OF LAKE CARRIERS' ASSOCIATION,
Buffalo, N. Y., March 11, 1892.

DEAR SIR: Answering your request for figures showing the amount of discriminating tolls exacted at the Welland Canal during the season of 1891, I have the following figures covering the traffic reaching the port of Ogdensburg, N. Y., by water via the Welland Canal in 1891:

Total tolls paid on all traffic reaching Ogdensburg via Welland Canal in 1891, \$55,037.05.

Total tolls which would have been exacted on the same traffic had it been consigned to Montreal or any port east of Montreal, provided it had gone through without breaking bulk or been transferred at an intermediate Canadian port, \$7,360.94.

Amount of toll collected as a discrimination against an American port, \$47,676.11.

In addition to the above, tolls to the amount of \$5,719.56 were collected on grain which reached Ogdensburg via the Welland Canal, was there transferred and forwarded to Montreal. This grain paid full Welland Canal tolls of 20 cents a ton without getting the refund. It was also refused the pass tickets ordinarily given at the Welland Canal on traffic bound through the St. Lawrence canals, which tickets permit free passage through the St. Lawrence canals. The grain in question not only paid full toll at the Welland, but was obliged to pay full toll through the St. Lawrence canals also.

Total discrimination against Ogdensburg traffic for 1891, \$53,395.67.

I notice several newspaper items of late, purporting to come from Ottawa, Ontario, to the effect that the Canadian government is to make some concessions in toll matters. These dispatches indicate, however, that the only concession which the authorities have in mind is with regard to the ports of transfer. You will remember that last year the refund on grain cargoes passing through the Welland Canal and transferred to river barges for Montreal at some intermediate point was only allowed in case the transshipment took place at a Canadian port, and was refused where such transshipment took place at an American port, like Ogdensburg. The press dispatches indicate that the Canadian authorities will this year permit the refund on Montreal traffic, even though the transshipment takes place at an American port. Doubtless this will be of some benefit to Ogdensburg, but it will leave untouched the principal point at issue, which concerns the right of the Canadian authorities to refund nine-tenths of the cargo tolls on Montreal traffic while no refund is made in the case of traffic of the same character passing through the canal in the same direction, and bound for an American port on route of export.

Yours, very respectfully,

C. H. KEEP,
Secretary Lake Carriers' Association.

HON. WM. F. WHARTON,
First Assistant Secretary of State, Washington, D. C.

[Gaylord, Downey & Co. commission and shipping merchants.

OSWEGO, N. Y., *April 5, 1892.*

Sir: Notwithstanding the promises made by the Canadian ministers to you to the contrary, we understand that an order in council has just been issued continuing the discrimination against this country by Canada. Our board of trade sent you resolutions recently setting forth the nature of the discrimination, the effect of which is to drive the carrying trade from United States ports on Lake Ontario to Canadian ports and routes.

Can not something be done to stop this unfair treatment? Why can not this country levy a toll upon all vessels passing through the "Soo" Canal, and rebate the same if unloaded at an American port. We are of the opinion that such a course as this, if consistent with existing treaties, would bring the Canadians to terms quite promptly.

Awaiting your reply, we are, sir, yours, respectfully,

GAYLORD, DOWNEY & CO.

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

OSWEGO BOARD OF TRADE,
Oswego, N. Y., April 5, 1892.

Sir: On the 24th day of November last our board passed resolutions, which were at that time transmitted to you, setting forth the discriminations which have heretofore been practiced by the Dominion of Canada against citizens of the United States in respect to tonnage passing through the Welland Canal, and which is a direct violation of the spirit of the treaty of Washington.

We understand that at the recent conference held in Washington between your honorable self and the Canadian ministers that this question was brought up, and that the Canadians agreed to remove the tolls, or, in other words, that they would not discriminate against the United States.

We also understand that an order in council has just been issued granting a rebate of 18 cents a ton on all grain passing through the Welland Canal and St. Lawrence canals through to Montreal this season the same as last year. Transshipment will be permitted at Kingston, but will not be allowed at Oswego, Ogdensburg, or any other American port. For grain landed at any port west of Montreal, unless for transshipment at Kingston, the full rate of toll, namely, 20 cents a ton, will be exacted.

You will at once see by this that the Canadians have again shown bad faith, and we now write you to ask if something can not be done in the way of retaliation, and we venture to suggest that Canada could be brought to terms in this respect in very short order if the United States would at once discriminate against Canada in regard to freight passing through our "Soo" Canal, and which is now largely used by Canadian vessels.

Awaiting your early reply, I am, sir, yours, respectfully,

D. M. JEWIN, *President.*

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

[Office of Max B. Richardson, real estate.]

OSWEGO, N. Y., *April 5, 1892.*

Sir: Inclosed I send you a newspaper clipping which purports to be a report of the decision arrived at by the Canadian government in regard to the use of the Welland and St. Lawrence canals for the season of 1892. As you are doubtless aware, the rebate made by the Canadian government is in direct violation of the provisions of the Treaty of Washington, so-called, wherein the Canadian government agreed to allow our Government the same privileges and rights, in relation to the use of the Welland Canal, as was enjoyed by their own government.

The violation of the provisions of said treaty consists in a rebate by the Canadian government of tolls paid upon cargoes consigned to Montreal and ports east of Montreal, which rebate is not made upon cargoes consigned to American ports. Therefore the Canadian government is violating the conditions of said treaty.

The attention of our Government has been repeatedly called to this matter. Presi-

dent Cleveland, in one of his messages, particularly referred to this subject, and recommended to Congress the adoption of a policy of retaliation.

As an American citizen of the United States, I desire to protest against this open violation of the sacred treaty, and suggest that, if possible and practicable, our Government immediately, in order that it may affect commerce for the season of 1892, impose tolls upon the shipping owned by citizens of the Canadian government for passage through the St. Mary's and other canals owned by our Government.

Believing and trusting in your ability to wisely and justly deal with this important matter as the circumstances of the case require, I am,

Respectfully, yours,

MAX B. RICHARDSON.

Hon. JAMES G. BLAINE, *Secretary of State, Washington, D. C.*

[Clipping.]

OTTAWA, April 4.

The government has decided to grant a rebate of 18 cents per ton on all grain passing through the Welland and St. Lawrence canals through to Montreal this season, the same as last year. Transshipment will be permitted at Kingston, but not be allowed at Ogdensburg or any American port. For grain landed at any port west of Montreal, unless for transshipment at Kingston, the full rate of toll, 20 cents per ton, will be exacted. Notwithstanding the recent conference with Secretary Blaine, the Canadian ministers appear determined not to relax the course they have followed with regard to discrimination against United States ports.

OFFICE OF PENFIELD, LYON & CO.,
Oswego, N. Y., April 6, 1892.

DEAR SIR: We venture again to present to the notice of the Department of State the matter of discrimination by the Canadian government against American commerce in the exaction of tolls for passage through the Welland Canal.

Our understanding of the spirit and intent of existing treaty is that the citizens of the United States and Canada shall each enjoy the same freedom in use of the canals in both countries as do the citizens of either in their own.

For several years, while the Canadians have used extensively without tolls and with perfect freedom the Sault Ste. Marie and St. Clair canals and the costly system of canals in the State of New York, the only Canadian canal which our citizens have occasion to use to any extent is closed to our commerce, except under burden of tolls from which the traffic of Lower Canada and for export via Montreal is relieved.

The unjust difference has for several years borne so heavily on very extensive commercial and industrial interests on and near the border—from Niagara Falls to Maine—as to exhaust many and bring more to the verge of utter ruin. Such as have been kept alive in the hope of change in the Canadian policy are now in despair because of the report of the reimposition of the discriminating tolls by the Canadian authorities in council.

We ask if it is within the power and consistent with the inclination of your Department to do anything to protect or relieve these important interests from the burden of this arbitrary and unfair ruling.

We are, very respectfully, your obedient servants,

PENFIELD, LYON & CO.

Hon. JAMES G. BLAINE, *Secretary of State, Washington, D. C.*

OSWEGO VESSEL OWNERS' ASSOCIATION,
Oswego, N. Y., April 6, 1892.

SIR: Inclosed you will find clipping which speaks for itself. It is very unjust the manner in which the Canadian government is treating us regarding this matter of tolls. This discrimination has driven the trade from United States ports on Lake Ontario to Canadian ports, and instead of American grain going via the Erie Canal to New York, and thence to Europe, it goes via the St. Lawrence to Montreal.

If the same tolls, that is, 20 cents per ton, were levied on all Canadian cargoes passing through our "Soo" Canal, there is no doubt the Canadian government would

in a very short time give us a free Welland Canal, which we should have. Could not our Government impose such a toll on the "Soo" Canal, and insist on the Canadians treating us fairly? I assure you it is a very great hardship for our vessels to continue paying expenses with this discrimination against them.

Trusting you can relieve us of this heavy burden, I am, sir, respectfully yours,
M. J. CUMMINGS, *Président*.

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

Refuse to Come Down.—The Dominion Government will Continue to Discriminate.

OTTAWA, April 4.

The government has decided to grant a rebate of 18 cents per ton on all grain passing through the Welland and St. Lawrence canals through to Montreal this season, the same as last year. Transshipment will be permitted at Kingston and not allowed at Ogdensburg or any American port. For grain at any port west of Montreal, unless for transshipment at Kingston, the full rate of toll—20 cents per ton—will be exacted. Notwithstanding the recent conference with Secretary Blaine, the Canadian ministers appear determined not to relax the course they have followed with regard to discrimination against United States ports.

Oswego, N. Y., April 6, 1892.

SIR: I regret that the Canadian government has issued an order to again levy a toll of 18 cents per ton on all grain passing through the Welland Canal and landing at American ports on Lake Ontario, and also 20 cents per ton on all coal, salt, and merchandise going West. This discrimination against American shippers and vessel owners is very unjust; it is destroying our vessel interests on Lake Ontario, and is a heavy tax on the Westward shippers of coal and salt.

As the Canadian people have the free use of our Sault Ste. Marie and St. Clair canals, could you not consistently levy the same toll on Canadian vessels passing through these canals as they do on our vessels passing through the Welland Canal.

I inclose you herewith a clipping in which a prominent Canadian vessel owner and shipper expresses his views on this subject. It is also the opinion of a great many of the Canadian people that this discrimination against us is entirely unjust and unfair.

Hoping you will see your way clear to secure us some relief in this matter, I remain, sir,

Respectfully yours,

ROBT. DOWNEY, *Agent*.

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

[Clipping.]

A free Welland Canal—Letter of a prominent Canadian vessel owner—Open letter to the premier.

HON. J. J. C. ABBOTT, *Ottawa:*

HON. SIR: During the past few days your government has been waited upon by two or three different deputations which have urged upon you their conflicting views regarding rebates of canal tolls on grain passing through the Welland Canal. The American canal at Sault Ste. Marie and their canal at St. Clair are free to Canadians and Americans alike. Our Welland Canal ought to be free too.

Why should the Americans be discriminated against in our canal, while they treat us so fairly in theirs, or why should coal, timber, lumber, and other goods pay canal tolls and grain be exempt?

Yours sincerely,

HIRAM A. CALVIN.

GARDEN ISLAND, *March 23.*

Mr. Calvin is an extensive lumber shipper and vessel owner of Canada, and has always been a strong supporter of the Macdonald government. He resides in Kingston and is thoroughly conversant with the shipping trade of Canada. Whether he voices the sentiment of the majority of Canadians we can not say, but that his argument appeals to all fair-minded men no one can deny, and the course he advocates as regards Canadian canals is only fair and right and according to the spirit of the treaty of Washington. This country tacitly agreed to throw open all government canals to the use of Canadians, but with the understanding that Canada would treat our citizens the same in regard to her government canals, which she has never done.

OFFICE OF LAKE CARRIERS' ASSOCIATION,
Buffalo, N. Y., April 12, 1892.

SIR: I inclose herewith, for the information of the Department, a clipping from the Marine Record, published at Cleveland, Ohio, purporting to give verbatim an order just issued by the Canadian government with respect to tolls and rebates on the Welland Canal for the year 1892. If this clipping states the facts (and upon its face it bears evidence of its authenticity) you will note the fact that the Canadian government has in no way modified its practice of recent years. Under the order as here given export grain which passes east-bound through the Welland Canal, and thence through the St. Lawrence canals to Montreal or some port east of Montreal, is granted a rebate, which reduces the tolls to 2 cents per ton, while the same articles passing through the Welland Canal, in the same direction, and bound to Ogdensburg for export by an American route of export, are obliged to pay tolls of 20 cents per ton. You will note, also, that grain passing through the canal and bound for Montreal, or some port east of Montreal, is granted the rebate if transhipped at an intermediate Canadian port, but is not granted the rebate if transhipped at an American port, like Ogdensburg.

Several weeks since when I was in Washington I had an interview on this subject with Senator Hoar, who is a member of the Senate Committee on Relations with Canada. Senator Hoar then offered to introduce in the Senate and endeavor to pass through that body a bill directing the Secretary of War to ascertain whether any discrimination was made on the Welland Canal between grain or other merchandise bound for American ports or American routes of export and the same articles when bound for Canadian ports or Canadian routes of export; and in case such discrimination was found to exist, the Secretary of War was directed to charge and collect at the St. Mary's Falls Canal and the St. Clair Flats Canal a toll upon the same articles bound for Canadian ports or Canadian routes of export, which tolls should be equal in amount to the discrimination now made at the Welland Canal. In view of the fact that your Department had at the conference with the Canadian commissioners brought this matter to the attention of the Canadian authorities, and that you were awaiting an answer from them, it did not then seem proper to introduce such bill in the Senate. The bill was therefore not presented. If the new order made by the Canadian authorities indicates, as it would seem that it must, an intention on their part to adhere to what seems a clear violation both of the spirit and the letter of the 27th article of the treaty of Washington, I would respectfully submit to your Department whether the introduction and passage of a bill like that suggested by Senator Hoar would not be a proper step in securing to our vessels and ports their just rights. So far as the vessel-owning interests on the lakes are concerned, we believe that your Department will take all the necessary steps to secure to us any rights to which you think we are justly entitled and which we are now deprived of by the action of the Canadian government.

Very respectfully, yours,

LAKE CARRIERS' ASSOCIATION,
C. H. KEEP, Secretary.

HON. WM. F. WHARTON,
First Assistant Secretary of State, Washington, D. C.

DEPARTMENT OF STATE,
Washington, June 6, 1892.

To the PRESIDENT:

In the report which was submitted to you on April 15 last, of the conferences held at the Department of State with the Canadian commissioners, it is stated that the subject of the rebate made in the tolls on grain carried through the Canadian canals to Montreal and shipped

therefrom to Europe was considered in the conference, and that it was understood the Canadian commissioners would see to the withdrawal of this discrimination.

After the adjournment of the conference the subject was again brought to the attention of the Canadian Government through the British minister, by a note from the Acting Secretary of State, dated March 17 last, of which a copy is inclosed, but no response was made thereto.

On the 4th. of April a new order in council was issued, reënacting the rebate provisions which had been in force for several years past, and which had occasioned the remonstrances of the Government of the United States. A copy of the order of April 4 is inclosed.

The matter became the subject of some informal conference between the Secretary of State and the British minister, and resulted in a proposal from the latter that one or more members of the Canadian ministry should come to Washington to discuss anew the question of the removal of the discriminating tolls. This visit, which has been contemplated for several weeks past, has just taken place. The British minister, accompanied by Hon. MacKenzie Bowell and Hon. George E. Foster, two members of the Canadian ministry, were received at the Department of State on Friday, the 3d instant, by the Secretary of State. The undersigned, who had participated in the conferences of February last, was also present, by invitation of the Secretary of State.

The Canadian commissioners opened the conference by stating that there seemed to exist some misunderstanding as to the conclusions reached at the conference of February last respecting the Canadian canal tolls. They had been informed that the American conferees understood that an assurance had been given that the discrimination which they alleged had been created against American ports and lines of transportation by reason of the Montreal rebate was to be removed. This did not conform to their understanding, as all the assurance they intended to give was that the complaint of the Government of the United States should be taken into consideration by the Canadian ministry on their return to Ottawa; that it was a subject about which they had not received instructions from the Dominion Government, and that it would necessarily have to be referred back to that Government for action. The commissioners, however, stated that they had been remiss in their failure to have the Government of the United States advised of the decision of the Dominion Government to reissue the orders in council as to the canal rebate of last year.

The Secretary of State said that he had understood the result of the conference of February last to be that the Canadian commissioners had given assurance that the causes of complaint, as presented by the United States, should be removed, and in this statement he was confirmed by the undersigned. But the Secretary recognized in the present visit of the commissioners a desire on their part to reach an understanding on the subject, if possible, and he asked what proposition they had to make to that end.

The commissioners then said that they did not regard the present canal tolls rebate as any discrimination against the United States, nor was it, in their opinion, any violation of either the letter or spirit of article 27 of the treaty of 1871. They proceeded at some length to give the history of the treaty of 1871, and especially of articles 30 and 31 in their relation to article 27. They contended that the Canadian canals were open to citizens of the United States on exactly the same terms as to British subjects, and that, hence, the stipulations of the

treaty were complied with. They recognized the fact that the tolls were so arranged as to favor the export route through Montreal, but this they deemed was entirely consistent with the treaty and justified by the large expenditure made by the Canadian Government in the construction of its canals for this express purpose.

The Secretary of State, in reply, recognized the correctness of the claim of the commissioners that the canals were open to citizens and subjects of the two countries alike, but he urged that the discrimination which was against American ports and lines of transportation to the seaboard, was in plain violation of article 27 of the treaty; and that the conduct of Canada was in marked and unfavorable contrast to that of the United States, which gave free transit through its canals on the Great Lakes to all commerce without regard to the route over which it passed to the sea. The conference of Friday continued for two hours without agreement, and was adjourned till the next day, with the suggestion on the part of the Secretary that the Canadian commissioners at the next session submit some proposition for an adjustment of the question. On Saturday, the 4th instant, at 11 a. m., the conferees reassembled at the Department of State, and the Canadian commissioners, in response to the request of the Secretary of State, proposed to modify the order in council by allowing the transshipment in American ports of cargoes destined for Montreal without loss of rebate, on condition that the free navigation of the Hudson River be allowed to Canadian vessels and boats from the end of the New York State canals to New York city.

The Secretary of State declined to entertain this proposition as a satisfactory settlement of the question. He claimed that under the treaty the citizens of the United States had a right to use the Canadian canals without condition as to the place of transshipment of cargo, and that it was not proper to ask any further consideration for the exercise of a treaty right. Besides, it was an unusual concession to grant the free navigation of a river lying wholly within one country to the citizens of another country; and in this case it could not be done without legislation of Congress.

The Canadian commissioners said they did not feel authorized at present to agree to a removal of the rebate on the canal tolls, but stated that on their return to Canada the subject should be again submitted without delay to the Dominion ministry, and they hoped to be able within two weeks to submit to the Government of the United States some new proposition on the subject. It was, therefore, agreed that the present conference should be terminated with the understanding that the Canadian Government would be expected to make some further communication on the subject to the Government of the United States, but without prejudice to any action which the latter Government might see proper to take.

During the conference the British minister referred to the other matters which had been agreed upon at the conference in February, and which his Government was anxious to carry into effect as soon as possible, to wit: The agreement as to the Alaska boundary, the marking of the water boundary in Passamaquoddy Bay, the appointment of a joint commission to report on fishing regulations, and the concurrent legislation on the lakes as to wrecked vessels. The Secretary of State concurred with the British minister that, as these matters had no dependence upon the canal tolls question, the agreement respecting them should be carried out with as little delay as possible.

Respectfully submitted.

JOHN W. FOSTER.

DEPARTMENT OF STATE,
Washington, March 17, 1892.

SIR: I have the honor to refer to the discussion which took place in the conferences lately held at this Department between the Secretary of State, yourself, and the Canadian commissioners, respecting the discriminating tolls in the Canadian canals and to inclose herewith a copy of a letter from the Lake Carriers' Association, dated Buffalo, N. Y., the 11th instant, containing figures showing the amounts of the discrimination in question.

The Department will greatly appreciate your courtesy in forwarding a copy of this letter at once to the Canadian authorities for their information in connection with the promised satisfactory adjustment of the question of canal tolls.

Accept, Mr. Minister, the assurances of my high consideration.

WILLIAM F. WHARTON,
Acting Secretary.

Sir JULIAN PAUNCEFOTE, G. C. M. G., K. C. B., etc.

OFFICE OF LAKE CARRIERS' ASSOCIATION,
Buffalo, N. Y., March 11, 1892.

DEAR SIR: Answering your request for figures showing the amount of discriminating tolls exacted at the Welland Canal during the season of 1891, I have the following figures covering the traffic reaching the port of Ogdensburg, N. Y., by water via the Welland Canal in 1891:

Total tolls paid on all traffic reaching Ogdensburg, via Welland Canal in 1891, \$55,037.05.

Total tolls which would have been exacted on the same traffic had it been consigned to Montreal or any port east of Montreal, provided it had gone through without breaking bulk or been transferred at an intermediate Canadian port, \$7,360.94.

Amount of tolls collected as a discrimination against an American port, \$46,676.11.

In addition to the above, tolls to the amount of \$5,719.56 were collected on grain which reached Ogdensburg via the Welland Canal, was there transferred and forwarded to Montreal. This grain paid full Welland Canal tolls of 20 cents a ton, without getting the refund. It was also refused the pass tickets ordinarily given at the Welland Canal on traffic bound through the St. Lawrence canals, which tickets permit free passage through the St. Lawrence canals. The grain in question not only paid full toll at the Welland, but was obliged to pay full toll through the St. Lawrence canals also.

Total discrimination against Ogdensburg traffic for 1891, \$53,395.67.

I notice several newspaper items of late purporting to come from Ottawa, Ontario, to the effect that the Canadian Government is to make some concessions in toll matters. These dispatches indicate, however, that the only concession which the authorities have in mind is with regard to the ports of transfer. You will remember that last year the refund on grain cargoes passing through the Welland Canal and transferred to river barges for Montreal at some intermediate point was only allowed in case the transshipment took place at a Canadian port, and was refused where such transshipment took place at an American port, like Ogdensburg. The press dispatches indicate that the Canadian authorities will this year permit the refund on Montreal traffic even though the transshipment takes place at an American port. Doubtless this will be of some benefit to Ogdensburg, but it will leave untouched the principal point at issue, which concerns the right of the Canadian authorities to refund nine-tenths of the cargo tolls on Montreal traffic, while no refund is made in the case of traffic of the same character, passing through the canal in the same direction, and bound for an American port or route of export.

Yours, very respectfully,

C. H. KEEP,
Secretary Lake Carriers' Association.

Hon. WILLIAM F. WHARTON,
First Assistant Secretary of State, Washington, D. C.

AT THE GOVERNMENT HOUSE AT OTTAWA,
Monday, the 4th day of April, 1892.

Present: His excellency the governor-general in council.

His excellency having had under consideration the tariff of tolls on the canals of the Dominion and the several orders in council under which a special rate has from time to time been established temporarily on certain food products passing through

the Welland Canal and through the St. Lawrence canals, for shipment at Montreal and ports east of Montreal, is pleased to order, in virtue of the powers vested in him by chapter 37 of the Revised Statutes, intituled "An act respecting the department of railways and canals," and by and with the advice of the Queen's privy council for Canada, that the following amendments shall be, and the same are hereby, made to the tariff of tolls in force on the said canals, viz:

That a refund be made of a portion of the canal tolls collected on wheat, Indian corn, pease, barley, rye, oats, flaxseed, and buckwheat, which have been carried through the Welland Canal and the St. Lawrence canals to Montreal or to any port east of Montreal, in all cases where the said products so carried are exported, and in such cases only.

That this rebate be such as to reduce the tolls to 2 cents per ton of the said products or any of them, and that the conditions of such refund be the following:

That the products aforesaid on which the rebate of tolls may be claimed shall be shown to have been originally shipped for Montreal or for some port east of Montreal and shall be shown to have been carried to Montreal or to some port east of Montreal, and actually sent out of the country.

That the right to this rebate shall not be lost by reason of intermediate transshipment, provided that the place of such transshipment is one within the Dominion of Canada.

That the right to this rebate shall extend to any portions of cargoes lightered at Port Colborne and reshipped at Port Dalhousie, and also to shipments of the above-named products made from any Canadian Lake Ontario port.

That payment of the amount to be refunded be made, from time to time, as cargoes of the said products are dispatched for export from Montreal or from some port east of Montreal.

That this order in council remain in force for the present year, 1892, only.

JOHN J. MCGEE,

Clerk of the Privy Council.

THE MINISTER OF RAILWAYS AND CANALS.

[No. 9. Canals Revenue.]

In carrying out the provisions of the foregoing order in council (of the 4th of April, 1892), the collector at Port Colborne will collect the full rate of tolls on the Welland Canal, and issue an official receipt therefor.

The authorized reduction of tolls will be paid by the Department as a refund upon evidence being furnished that the conditions of the order in council have been complied with.

The vouchers, properly indorsed, and certificate of export, must in all cases accompany the application for a refund of the tolls referred to.

B. H. TEAKLES,

Chief Clerk, Canals Revenue.

DEPARTMENT OF RAILWAYS AND CANALS,

Ottawa, April 5, 1892.

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[PUBLIC—No. 154.]

An act to enforce reciprocal commercial relations between the United States and Canada, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, with a view of securing reciprocal advantages for the citizens, ports, and vessels of the United States, on and after the first day of August, eighteen hundred and ninety-two, whenever and so often as the President shall be satisfied that the passage through any canal or lock connected with the navigation of the Saint Lawrence River, the Great Lakes, or the water ways connecting the same, of any vessels of the United States, or of cargoes or passengers in transit to any port of the United States, is prohibited or is made difficult or burdensome by the imposition of tolls or otherwise which, in view of the free passage through the Saint Marys Falls Canal, now permitted to vessels of all nations, he shall deem to be reciprocally unjust and unreasonable, he shall have the power, and it shall be his duty, to suspend, by proclamation to that effect, for such time and to such extent (including absolute prohibition) as he shall deem just, the right of free passage through the Saint Marys Falls Canal, so far as it relates to vessels owned by the subjects of the government so discriminating against the citizens, ports, or vessels of the United States, or to any cargoes, portions of cargoes, or passengers in transit to the ports of the government making such discrimination, whether carried in vessels of the United States or of other nations.

In such case and during such suspension tolls shall be levied, collected, and paid as follows, to wit: Upon freight of whatever kind or description, not to exceed two dollars per ton; upon passengers, not to exceed five dollars each, as shall be from time to time determined by the President: *Provided*, That no tolls shall be charged or collected upon freight or passengers carried to and landed at Ogdensburg, or any port west of Ogdensburg, and south of a line drawn from the northern boundary of the State of New York through the Saint Lawrence River, the Great Lakes, and their connecting channels to the northern boundary of the State of Minnesota.

SEC. 2. All tolls so charged shall be collected under such regulations as shall be prescribed by the Secretary of the Treasury, who may require the master of each vessel to furnish a sworn statement of the amount and kind of cargo and the number of passengers carried and the destination of the same, and such proof of the actual delivery of such cargo or passengers at some port or place within the limits above named as he shall deem satisfactory; and until such proof is furnished such freight and passengers may be considered to have been landed at some port or place outside of those limits, and the amount of tolls which would have accrued if they had been so delivered shall constitute a lien, which may be enforced against the vessel in default wherever and whenever found in the waters of the United States.

Approved, July 26, 1892.



“if they had been so delivered shall constitute a lien, which may be enforced
“against the vessel in default wherever and whenever found in the waters
“of the United States,” and

WHEREAS, the Government of the Dominion of Canada imposes a toll amounting to about 20 cents per ton on all freight passing through the Welland Canal in transit to a port of the United States, and also a further toll on all vessels of the United States and on all passengers in transit to a port of the United States, all of which tolls are without rebate. And

WHEREAS, the Government of the Dominion of Canada in accordance with an Order in Council of April 4, 1892, refunds 18 cents per ton, of the 20-cent toll at the Welland Canal, on wheat, Indian corn, pease, barley, rye, oats, flaxseed and buckwheat, upon condition that they are originally shipped for and carried to Montreal or some port east of Montreal for export, and that, if transhipped at an intermediate point, such transhipment is made within the Dominion of Canada, but allows no such nor any other rebate on said products when shipped to a port of the United States or when carried to Montreal for export if transhipped within the United States.

And

WHEREAS, the Government of the Dominion of Canada by said system

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

WHEREAS, by an act of Congress approved August 10, 1858, entitled "An act to enforce reciprocal commercial relations with Great Britain and Canada, and for other purposes," it is provided, "that the President shall have authority to secure reciprocal advantages for the United States, on and after the first day of January, 1859, and so often thereafter as he may think proper, that the passage through any canal or river, or of the Saint Lawrence River, the Great Lakes, or any connecting waterway, of any vessels of the United States, or of passengers in transit to any port of the United States, shall not be made difficult or burdensome by the imposition of any tolls, which, in view of the free passage thereto now permitted to vessels of all nations, is unjust and unreasonable, he shall have authority to suspend, by proclamation to that effect, the operation of the act (including absolute prohibition) as to the free passage through the Saint Marys River, of the vessels owned by the subjects of the Great Britain, or the citizens, ports, or vessels of the United States, or portions of cargoes, or passengers in transit thereto, when such discrimination, whether in favor of the United States or of other nations,

"In such case and during such suspension, the tolls to be collected, and paid as follows, to wit: Upon the Great Lakes, and on the description, not to exceed two dollars per ton, and on the coast of the United States, not to exceed five dollars each, as shall be from time to time determined by the President: *Provided*, That no tolls shall be charged on the freight or passengers carried to and from any port or place west of Ogdensburg, and south of a line extending northward from any point on the eastern shore of the State of New York through the Great Lakes, and their connecting channels, to any port on the State of Minnesota.

"SEC. 2. All tolls so charged shall be paid in advance, and as shall be prescribed by the Secretary of the Treasury, the master of each vessel to furnish a statement of the kind of cargo and the number of passengers on board of the same, and such proof of the actual number of passengers at some port or place within the limits of the State shall be deemed satisfactory; and until such proof is furnished, no passengers may be considered to have been carried to any port outside of those limits, and the amount of tolls to be

MENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

An act of Congress approved July 26, 1892, entitled "An act to regulate commercial relations between the United States and other countries for other purposes," it is provided "That, with a view of securing the full advantages for the citizens, ports, and vessels of the United States, and after the first day of August, eighteen hundred and ninety-two, and so often as the President shall be satisfied that it is necessary through any canal or lock connected with the navigation of the Saint Lawrence River, the Great Lakes, or the water ways connecting the same, of any vessels of the United States, or of cargoes or passengers in transit to any port of the United States, is prohibited or is rendered burdensome by the imposition of tolls or otherwise to suspend the free passage through the St. Marys Falls Canal, and to suspend vessels of all nations, he shall deem to be reciprocally reasonable, he shall have the power, and it shall be his duty, to issue a proclamation to that effect, for such time and to such extent (except absolute prohibition) as he shall deem just, the right of navigation through the Saint Marys Falls Canal, so far as it relates to the subjects of the government so discriminating against the subjects of the United States, or to any cargoes, passengers, or vessels of the United States, or to any cargoes, passengers, or passengers in transit to the ports of the government, and to discriminate, whether carried in vessels of the United States or other nations.

And during such suspension tolls shall be levied, collection as follows, to wit: Upon freight of whatever kind or amount, not to exceed two dollars per ton; upon passengers, not to exceed one dollar each, as shall be from time to time determined by the President. That no tolls shall be charged or collected upon cargoes or passengers carried to and landed at Ogdensburg, or any port north of a line drawn from the northern boundary of the State of New York through the Saint Lawrence River, the Great Lakes, and their connecting channels to the northern boundary of the State of New York.

Tolls so charged shall be collected under such regulations as may be prescribed by the Secretary of the Treasury, who may require any vessel to furnish a sworn statement of the amount and kind of cargo and the number of passengers carried and the destination of each, and such proof of the actual delivery of such cargo or passengers at such port or place within the limits above named as he shall deem proper, and until such proof is furnished such freight and passengers shall be considered to have been landed at some port or place within the limits, and the amount of tolls which would have accrued

“if they had been so delivered shall constitute a lien, which may be enforced against the vessel in default wherever and whenever found in the waters of the United States,” and

WHEREAS, the Government of the Dominion of Canada imposes a toll amounting to about 20 cents per ton on all freight passing through the Welland Canal in transit to a port of the United States, and also a further toll on all vessels of the United States and on all passengers in transit to a port of the United States, all of which tolls are without rebate. And

WHEREAS, the Government of the Dominion of Canada in accordance with an Order in Council of April 4, 1892, refunds 18 cents per ton, of the 20-cent toll at the Welland Canal, on wheat, Indian corn, pease, barley, rye, oats, flaxseed and buckwheat, upon condition that they are originally shipped for and carried to Montreal or some port east of Montreal for export, and that, if transhipped at an intermediate point, such transhipment is made within the Dominion of Canada, but allows no such nor any other rebate on said products when shipped to a port of the United States or when carried to Montreal for export if transhipped within the United States. And

WHEREAS, the Government of the Dominion of Canada by said system of rebate and otherwise discriminates against the citizens of the United States in the use of said Welland Canal in violation of the provisions of Article 27 of the Treaty of Washington concluded May 8, 1871. And

WHEREAS, said Welland Canal is connected with the navigation of the Great Lakes, and I am satisfied that the passage through it of cargoes in transit to ports of the United States is made difficult and burdensome by said discriminating system of rebate and otherwise, and is reciprocally unjust and unreasonable,

NOW, THEREFORE, I, BENJAMIN HARRISON, President of the United States of America, by virtue of the power to that end conferred upon me by said act of Congress approved July 26, 1892, do hereby direct that from and after September 1, 1892, until further notice, a toll of 20 cents per ton be levied, collected, and paid on all freight of whatever kind or description passing through the St. Mary's Falls Canal in transit to any port of the Dominion of Canada, whether carried in vessels of the United States or of other nations; and to that extent I do hereby suspend from and after said date the right of free passage through said St. Mary's Falls Canal of any and all cargoes or portions of cargoes in transit to Canadian ports.

In testimony whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this 18th day of August, in the year of our Lord one thousand eight hundred and ninety-two, and of the Independence of the United States of America the one hundred and seventeenth.

BENJ HARRISON

By the President:

JOHN W. FOSTER,
Secretary of State.

