

the grain trade, urged upon the Government the opinion that abolition of tolls on the Welland and St. Lawrence Canals would result in attracting a largely increased volume of east-bound freight, especially grain, to these canals and the St. Lawrence route to the seaboard. By an Order-in-Council, therefore, dated 5th June, 1884, the tolls on wheat, Indian corn, oats, barley and rye passing through these canals for Montreal and Canadian ports east of Montreal were reduced by one-half for the then present season of navigation. The full amount of toll was collected and a refund made on proof of delivery of the grain at Montreal.

This reduction was again authorized (pease being included) by an Order-in-Council dated 17th June, 1885, and by an order dated 4th July, 1885, a further reduction of 2 cents per ton was authorized for the season of navigation only, tolls to be collected and refunds made in the previous year. This concession was continued year by year, by special Orders-in-Council. During the years 1887, 1888 and 1889 oats were not included, but in 1890 were, if for export, again placed on the list. By an Order-in-Council, dated 25th March, 1891, the reduction was again continued, it being provided that transshipment at Canadian intermediate ports did not prevent the refund being made, but no refund was made upon grain transhipped at Ogdenburg and passed down the St. Lawrence canals to Montreal.

By an Order-in-Council, dated 4th April, 1892, the reduction was again authorized, but was made applicable only to products so carried and actually exported. It was also provided that intermediate transshipment must take place at some Canadian port, or the right to the rebate would be lost.

The United States Government contended that this last provision amounted to discrimination against that country, and therefore in August, 1892, adopted a system of tolls by which 20 cents per ton was levied on all freight carried through the Sault Ste. Marie Canal to any port in the Dominion of Canada. On the 13th February, 1893, the Canadian Government passed an Order-in-Council providing that, for the season of 1893, the tolls on wheat, Indian corn, pease, barley, rye, oats, flaxseed and buckwheat passing eastward through the Welland and St. Lawrence Canals, respectively, should be 10 cents per ton, payment of the toll for passage through the Welland Canal entitling the products to free passage through the St. Lawrence Canals. In consequence of this, the discriminatory toll levied by the United States Government on freight through the Sault Ste. Marie Canal was removed.

1236. The following table shows the quantity of wheat, barley, corn, oats, pease and rye passed down the Welland Canal from ports west of Port Colborne, in each year since 1882. As previously explained full tolls were paid in 1882 and 1883, a refund of half the toll or 10 cents per ton was allowed on grain for Montreal during 1884 and up to June, 1885, and since that date of 18 cents per ton, leaving only 2 cents per ton actually payable