

ditions, goods, wares or merchandise may be conveyed in transit without the payment of duties, from such possessions through the territory of the United States for export from the said ports of the United States."

The remaining part of the article provides for reciprocal privileges for the use of Canadian seaports by United States traders.

Article XXXIII. provides that the agreement shall remain in force for a period of ten years from the date at which it came into operation, and further until the expiration of two years after either of the high contracting powers shall have given notice to the other of its wish to terminate the arrangement.

Article XXIX. has not been denounced by either party to the agreement.

1243. The second kind of transport of goods was to a certain degree regulated by Article XXX. of the Treaty of Washington, 1871, but since the abrogation of that clause, in 1885, it has been carried on by virtue of authority given by statutes, in respect to the United States, and in respect to Canada, by Order-in-Council and Chapter 32 of the Revised Statutes of Canada, 1886.

The United States Act is that of July 28th, 1866 (United States Revised Statutes, Sec. 3006), which, as it was not repealed on the ratification of the Treaty of Washington, 1871, revived on the abrogation of Article XXX. The Act of 1866 is as follows :—

"Imported merchandise, in bond or duty paid, and products or manufactures of the United States, may, with the consent of the proper authorities of the British Provinces or Republic of Mexico, be transferred from one port in the United States to another port therein, over the territory of such provinces or republic, by such routes and under such regulations and conditions as the Secretary of the Treasury may prescribe, and the merchandise so transported shall upon arrival in the United States from such provinces or republic be treated in regard to the liability to or the exemption from duty or tax as if the transportation had taken place entirely within the limits of the United States."

For this second kind of transport there is, therefore, no treaty agreement. On the repeal of Article XXX. of the Washington Treaty, 1871, an order of the United States Treasury Department issued, that all goods, &c., entering United States territory from Canada in transit from other points in the United States should pay duty, but further research brought to light the Act of 1866, under which the bonding system, as applied to this kind of transport, has been continued.

1244. As respects Canada, an Order-in-Council passed 4th December, 1856, provides for transit of goods by railway from United States places through Canada to United States places. An Order-in-Council dated 12th March, 1860, says : "Free goods and others in transit through Canada by any continuous railway shall be dealt with as heretofore in accordance with Sec. 2 of the Customs Regulations of 1856, excepting that triplicate reports are dispensed with. An Order-in-Council, 7th December, 1883, provides regulations. The Customs Act also makes regulations.

1245. The United States returns supply data showing the extent to which Canada avails herself of the arrangement under article XXIX. and under the Act of 1866.

The following table is an analysis of these data, together with other data for a thorough comprehension of the subject :—