

deserve great credit for what they are doing, they must in view of these facts redouble and extend their efforts, otherwise they will tail the international race for the trade of the Panama Canal and Latin America. They must make their slogan from now on, without any let-up, "Get ready for the Panama Canal and go after Pan-American commerce."

If this report excites new interest and desire for further information, the Pan-American Union at Washington, as an official organization maintained by the United States and other American Governments, stands ready to supply full data regarding the commerce and progress of the twenty Latin American countries and the possibilities of the Panama Canal.

Information Department, Pan-American Union, Washington, D.C.

New Zealand, No. 318.

MY LORD,—

Downing Street, 1st November, 1912.

With reference to previous correspondence relative to the Panama Canal Act, I have the honour to transmit to you, for the information of your Ministers, copies of two despatches from His Majesty's Embassy at Washington, forwarding respectively a circular concerning the registration of foreign-built ships, which has been issued by the United States Government in pursuance of section 5 of the Panama Canal Act, and copy of a summary of a report on the subject of the Panama Canal and Pan-American trade about to be published by the Pan-American Union.

You will receive a copy of Mr. Barrett's report when published direct from His Majesty's Ambassador at Washington.

I have, &c.,

L. HARCOURT.

Governor the Right Hon. Lord Islington, K.C.M.G., D.S.O., &c.

South and Central America.—(40619.)

28th September.—Section 1.

No. 1.

Mr. MITCHELL INNES to Sir EDWARD GREY (received 28th September).

(No. 215.—Commercial.)

SIR,—

Kineo, Maine, 17th September, 1912.

With reference to my despatch, No. 206, of the 6th instant, in which I had the honour to transmit to you copies of the Panama Canal Act as finally printed, I enclose herewith one copy of a circular, issued to the Collectors of Customs by the United States Department of Commerce and Labour, embodying the regulations which are to govern the enforcement of section 5 of the above-mentioned Act respecting the registry of foreign-built vessels.

Further copies of this circular will be sent as soon as possible.

I have, &c.,

A. MITCHELL INNES.

Enclosure No. 1.

*Circular issued to United States Collectors of Customs.*

Registry of Foreign-built Vessels,

Department of Commerce and Labour, Washington, 30th August, 1912.

To Collectors of Customs and others concerned.

Your attention is invited to so much of section 5 of the Panama Canal Act, approved the 24th August, 1912, and now in effect, as provides—

Section 5. That the President is hereby authorized to prescribe and from time to time change the tolls that shall be levied by the Government of the United States for the use of the Panama Canal: Provided that no tolls, when prescribed as above, shall be changed unless six months' notice thereof shall have been given by the President by Proclamation. No tolls shall be levied upon vessels engaged in the coastwise trade of the United States.

That section 4132 of the Revised Statutes is hereby amended to read as follows:—

"Section 4132. Vessels built within the United States and belonging wholly to citizens thereof, and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States, and seagoing vessels, whether steam or sail, which have been certified by the Steamboat Inspection Service as safe to carry dry and perishable cargo, not more than five years old at the time they apply for registry, wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands and the Islands of Guam and Tutuila, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title. Foreign-built vessels registered pursuant to this Act shall not engage in the coastwise trade: Provided that a foreign-built yacht, pleasure-boat, or vessel, not used or intended to be used for trade, admitted to American registry pursuant to this section shall not be exempt from the collection of *ad valorem* duty provided in section 37 of the Act approved the 5th August, 1909, entitled 'An Act to provide Revenue, equalize Duties, and encourage the Industries of the United States, and for other Purposes.' That all materials of foreign production