

France and Canada. I was informed at the outset that the Government of the Republic were not prepared to entertain the question of any interference with the minimum tariff, and I would therefore confine myself to the application to extend the benefit of the minimum tariff, at all events, to a number of the principal articles exported by Canada to France. I would particularly draw attention to the grounds upon which we based that application. A short time ago an arrangement was negotiated between Mr. Whitelaw Reid, the late Minister representing the United States in Paris, on the ground that the United States Government had remitted the duties on sugar, molasses and hides, and that the law providing for the remission of these duties authorized the Government by proclamation to withhold these advantages from any country that did not give in return a *quid pro quo* in equivalent tariff remissions.

I stated that in the Customs Act now in force in Canada, sugar, tea coffee and hides were also admitted free of duty, and that the Act also contained a similar provision authorizing the re-imposition of certain duties upon sugar, molasses and tobacco. I drew attention to the fact that in the existing tariffs the principal articles of export from France were admitted into Canada upon a much lower scale of duties than that exacted in the United States, and I instanced specially that cases of wines and spirits and tobacco. I also referred to the fact that Canada received at present nearly ten times as much of the products of France as she sent her. I stated that I did not propose to raise the question of the *surtaxes d'entrepôt*, as the Government of Canada were at present engaged in providing for an excellent fast service between France, Great Britain and Canada that would thus enable us to avoid transshipment of goods passing through Great Britain. I added that I could give no greater evidence of the great desire of Canada to obtain more intimate trade relations with France, and to promote intercourse between the two countries, than by calling their attention to the advertisement inviting tenders for this service, which I did, and to the condition that there should be direct communication between France and Canada, and *vice versa*, a French port being stipulated for as the point from which the steamers should start and to which they should return.

I mentioned that the Government of Canada stood pledged to the appropriation of £150,000 per annum for the proposed service, and that when it was organized and in operation, as I believed it would be at no distant date, the speed required would enable mail matters and passengers to reach not only Canada but all the Western States of America more than twenty-four hours sooner than they could be conveyed to the same points by the direct route now in existence by New York. The value to France as well as to Canada of this service would be at once apparent. I pointed out the value to France of the competition between Canada and the United States that would be created by the extension of the minimum tariff to certain articles of export to France. I also referred to the large French-speaking population in Canada who still preserve a lively affection for their mother country, and who in common with the rest of Canada were very desirous of freer trade relations than now existed.

In response, the gentlemen whom I have already named as taking part in the discussion pointed out that the arrangement agreed upon with the United States of America had not yet taken effect, and that it was based upon the amount of trade between France and her Colonies and the United States which was benefited by the reduction on articles above referred to which had been made free of duty. In this way, a suitable reciprocity was effected.

I was asked and gave them the relative amount of our imports from and exports to France, but accompanied it with the remark that more favourable trade relations would no doubt result in a great expansion of trade on both sides, as Canada was being rapidly developed and was making great progress.

I was asked if the clause which formerly existed in our Customs law in which the Governor in Council had power by proclamation to reduce or remove altogether the 30 per cent. *ad valorem* duty on wines was still retained; whether it would be practicable for us to extend the trade between the two countries upon the minimum tariff being given by France and as to the corresponding reduction of Canadian duties, at all events on the exports of France to Canada. I was reminded also that