

the great pleasure he felt in opening with them negotiations with a view to the adoption of an arrangement regulating the commercial relations between France and Canada. He added that these negotiations will be carried on, on his part, in the most conciliating and friendly spirit. His Excellency, the Ambassador of Great Britain, thanked him for the sentiments he had just expressed, and was glad to give him the assurance that those sentiments were fully reciprocated by Great Britain and Canada.

"The hon. Commissioner for Canada then took the floor to explain what were, in his opinion, the basis on which the negotiations might be engaged.

"Sir Alexander Galt read the following note, a copy of which was remitted to the French Commissioners :

"Pursuant to an agreement between Canada and the Government of Her Britannic Majesty, and under reserve of their approbation, the Government of Canada desires to come to an understanding with the French Republic, with respect to an agreement regulating the commercial affairs between the two countries. But, before dealing with the question of the basis on which this agreement might stand, it would seem necessary to recall the circumstances under which, at the present time, the Canadian products are at a disadvantage on the French market.

"In 1859-60, an informal arrangement gave to Canadian products certain advantages for importation in France, on condition that, as regarded several French articles for importation in Canada, the Canadian duties should be assimilated to similar articles of English manufacture, on the further condition that the duties on wines, excepting however sparkling wines, be reduced to a shilling per gallon, that is to say at the rate settled upon for the import duty of French wines in England.

"Canada had not been mentioned in the treaty between France and England in 1860; nevertheless, it had the benefit, under the above mentioned arrangement, of being treated as the most favored nation, until 1873.

"But, from that time the French Government adopted another system; and, placing Canada under the general tariff, caused a material damage to that country.

"In 1874, Canada increased the duties on wines without, however, infringing upon the principle which had been sanctioned by its Customs Legislation, under which French produce, including wines, were subject to the same duties as were paid by all other nations, England included.

"In 1879, fiscal requirements necessitated an increase in the Customs duties of Canada. No alteration was made with regard to France, which now enjoys as heretofore, the privileges of the most favored nation; but, as to wines (sparkling wines excepted), the English duties were re-imposed, besides an overtax of 30 per cent., which the Canadian Government is authorised to repeal in favor of France or Spain, according to whatever agreement may be made with respect to trade relations between the two countries.

"Therefore, it may be remarked that until now Canada has not varied; neither has it abandoned its engagements of 1859-60, as to the treatment of French produce; and, as regards wines, its Legislation enables it to immediately re-establish the old duties.

"The Canadian Government were in hopes that the constant regard which they have had for the French commercial interests, might, at the proper time, induce the Government of the Republic to re-establish a state of things which has only proved beneficial on either side.

"The trade between France and Canada, which, until 1873, had taken a great impulse, has decreased since, under the old general tariff, and there is no doubt that under the new system it will decline entirely. But it is for that reason that the Canadian Government would heartily wish to find a remedy to such a disastrous situation.

"In the first place they would desire the abolition of the over-tax on goods in bonds, which bears down heavily on Canadian products when imported in France. The competitors of Canada on the French market are chiefly the United States and the Northern States of Europe. As regards the first, the competition covers, among other articles, canned fish, canned fruits, mineral oils, sewing machines, agricultural implements, plain furniture, lumber in deals, cutlery.

"All these products, directly imported from the United States into France are exempt from the over-tax, while similar Canadian products, coming into France by way of England, are liable to it.

"From Northern Europe, the competition with Canada applies chiefly to lumber. It is to be remarked that European lumber imported from a country other than the country of production is exempt from the over-tax, while non-European lumber is not. The consequence is that Canadian lumber bought in England would be liable to a prohibitive over-tax, while that of Norway, for instance, would be exempt.

"So with the fish from Northern Europe, bought in England or elsewhere, it seems to be exempt, while Canadian fish is subject to the over-tax of goods in bond. The Canadian Government naturally desire to see this over-tax taken off from their produce. Besides they would desire that the French Government would be pleased to make the following reductions on certain duties of the French tariff:—

Curried leather, to	20 francs.
Tanned leather, to	10 "
Common cutlery, to	50 "
Common razors, to	80 "
Other cutlery, to	120 "
Fine cutlery, to	300 "
Cows, oxen, &c.....	Exempt.

"And lastly they would ask that France would be pleased to place Canada on the same footing as the most favored nation as long as Canada will be in a position to continue to admit French produce at the same rate as that of other nations.

Mr. AMYOT.

"On the part of Canada, the only reduction which would seem possible, would be that of the duty on wines; for on all other articles France enjoys all the benefits which Canada can concede to other nations with due regard to its policy and its financial necessities.

"As to the duration of the proposed agreement, it is thought that in view of a future commercial treaty, probably at a not very distant date, between England and France, in which Canada might hope to be included, it might be well to conclude only a temporary arrangement, which might be broken on one year's notice."

"The Minister of Commerce said that, before discussing the conclusions of this note with regard to which he would, besides, have more than one reserve to make, he would wish to examine it leisurely and to confer officially with the Canadian delegate. Therefore, he thinks, that it would be proper to postpone the official negotiations until a date which would ultimately be fixed upon.

"This proposition having received the unanimous assent, the commission adjourned to an undefined date

(Signed)

C. DEFREYGINET,
T. TIRARD,
EMBAUD,
E. MARIE,
CLAVEBBY,
RAMOND,
LYONS,
A. GALT.

The Secretary,

(Signed)

RENÉ LAVALLÉE."

That official note from our delegate having been submitted to the French Parliament that Parliament answered on the 20th of March, 1882, through an official note from Mr. Tirard, which note was remitted to our delegate and was couched in the following terms :

"PARIS, 26th March, 1882.

"The Canadian Government has expressed in a memorandum the desire to agree with the Government of the French Republic on the basis of an arrangement for the purpose of settling the commercial relations between the two countries. In the present state of things, the colonies and possessions of Her Britannic Majesty having been kept out of the stipulations, treaties and agreements intervened between France and Great Britain, and no particular arrangement existing between France and Canada, it follows that the Canadian products on entering France have had to be submitted to the application of the general Customs Tariff. During the period of 1860 to 1878, that tariff has undergone liberal changes of which Canada has benefited. But, at the same time, that country has had to suffer from the consequences of the law of the 30th of January, 1872, which establishes an over-tax of 3 francs 60 centimes on all products of extra European origin imported from the European warehouses, and which has substituted to the one and singular tax of 2 francs per ton register on wooden or iron sea-going vessels, duties of 30 and 40 francs on the hulls of wooden and iron sea-going vessels.

"On his part, by way of retort, the Canadian Government had increased by 30 per cent. the entrance fees on wines (sparkling or non-sparkling), that is to say, on one of the chief articles of French importation in Canada.

"In the course of conversations which took place in 1878, with a view to the improvement of that situation, it was pointed out that in case that France would consent to re-establish the duty of 2 francs per ton register on sea-going vessels, Canada would blot out from its tariff the overtax of 30 per cent. on wines. Since that time, the law of the 7th of May, 1881 has given full satisfaction to the wish expressed by Canada as regards the duty of two francs on sea-going vessels; but in Canada the wines are still liable to the supplementary tax of 30 per cent. Besides, in their new propositions, the Canadian Government do not content themselves with asking for the taking off of the overtax on goods in bond, and the benefit of being treated as the most favoured nation; but they also ask for new reductions of the duties on tanned or curried leather, on common and fine cutlery, on oxen, cows, &c. But in exchange for these concessions, they limit their offers to a reduction of the duties on wine. In other words, they enlarge considerably their demands, without conceding anything anything over and above what they offered in exchange for the rebate of the duties which they have obtained on one sole article of their imports in France.

"After having declared that, on the part of Canada, the only reduction which would seem possible would be that of the duty on wines, the note adds that on all the other articles France was enjoying all the benefits which Canada could concede to other nations having regard to its policy and its financial necessities. Now, these favours, as regards the chief articles of French importation to Canada, are illustrated by a duty of 170 francs 74 centimes per hectolitre on our brandies; of 233 francs 72 centimes on liquors; of 88 francs per hundred kilos and 20 per cent. besides on our all-wool cloths and flannels; of 118 francs and 25 per cent. besides on woollen ready-made clothing; of 20 per cent. on printing and writing paper; of 30 per cent. on wall paper; 29 francs 44 centimes per hectolitre, and 30 per cent. on non-sparkling wines; of 16 francs 05 centimes per dozen bottles, and 30 per cent. on sparkling wines; of 25 per cent. on prepared ornamental feathers; of 25 per cent. on gloves, boots and shoes; of 30 per cent. on clothing and ready-made linen goods; of 25 per cent. on haberdashery and buttons; of 30 per cent. on woven silk and silk ribbons; of 45 francs per 100 kilogrammes on salt butter, and of 20 per cent. on olive oil. In France on the contrary, under the conditions of the general tariff, the chief articles of Canadian importation are either admitted on the free list or liable to very moderate duties, consequently