

amendment of the same. After the debate by the Dominion Delegates was closed, and pending the order for a vote, the American Delegates were called on and requested to give their views on the subject to the Convention. Responses were made by Messrs. Hersey, Nourse, Stevens, and Hawley, each and all saying that, as Representatives of the American Board of Trade, they had no views to offer, for the reason that the American Boards had not in any case considered the Treaty or expressed an opinion on it. Individually, however, they were happy to reciprocate the friendly expressions made by the Canadians in favour of freer intercourse, both commercially and socially, between the two countries.

It is needless to set forth in much detail the objections of the Dominion Board of Trade to the proposed Reciprocity Treaty. The Canadian newspapers are full of the objections enunciated by the Convention, and "The Tribune" has already given place to some of them. Very briefly, those objections are as follows:—

1. The Treaty will deprive the Dominion Treasury of 4,000,000 dollars' annual revenue, which, in the present condition of trade, it will be difficult to supply from other sources.

2. The Treaty surrenders or makes free the Canadian fisheries. The Canadians get no return for the freedom of their fisheries, although under the Treaty of Washington a Commission was to be appointed to assess the value thereof, and the American Government was to pay to the Dominion Government the money value assessed. The Canadians have been flattering themselves that their Treasury would derive a heavy sum from this source, and they think they should have the privileges of the American coasting trade for their ships, in return for the freedom of their fisheries given to the Americans.

3. The Treaty requires the Canadian Government within a limited (and too brief) time to widen and deepen the Welland and St. Lawrence canals, and to construct wholly a new canal from the St. Lawrence river to the head of Lake Champlain—all of which canals are to be free to American commerce. In return the United States' Government only promises to "use its influence" with the States of New York and Michigan to procure the admission of Canadian commerce to American canals. The Canadians only see the shadow, not the substance of reciprocity in this proposition.

4. The Treaty proposes the annual reduction by one-third of the present rate of duties on commodities interchanged between the two countries. The American duties they claim will average 50 per cent., while their own highest rate is 17½ per cent. After the second year their country will be practically open to free trade to the United States, so small will be their rate of duties, whereas the American rate will still be high enough to be in many cases prohibitory. Thus, they fear, their young manufacturing establishments will be crushed out by American free goods before the three years expire.

In these four statements of their side of the case, you have the pith of Canada's objections to the Treaty. There was another objection made by a few, and with no little feeling, against the British and Dominion Governments, to wit: that this Treaty seemed to be initiated by them, whereas, as the former Treaty between the United States and Canada had been abrogated on notice by the United States, it properly belonged to the latter Government to make overtures for its renewal. The national spirit of the Canadians, which is rapidly growing, is offended by this fact, but they blame their own Government, not ours, and will not sacrifice a truly Reciprocal Treaty on a point of etiquette.

No. 444.

*The Earl of Derby to Mr. Watson.*

(No. 262.)

Sir,

*Foreign Office, August 11, 1874.*

I HAVE to convey to you my approval of the note addressed by you to Mr. Fish, relative to the Draft Reciprocity Treaty, copy of which was inclosed in your despatch No. 31 of the 17th ultimo.

I am, &c.

(Signed) DERBY.