

the Treaty. I pointed out to them that as this concession was one which had influenced the Canadian Government a good deal in their instructions to myself, it was desirable that some specific reference to the matter should appear on record. I suggested, therefore, as the best way of meeting the wishes of the Canadian Government in the circumstances, that it should form the subject of a letter to be attached to the Treaty.

This was agreed to, and the concession is mentioned in the draft of the optional letter I referred to in my last, a copy of which I attach, together with the question of the exchange of a reduction of the duty on paintings, prints, drawings, &c., for the minimum tariff on cheese.

In the same letter mention is also made of the subsidy appropriated by Parliament towards a direct steamship service between Canada and France, in a manner which has satisfied the French Negotiators, and in one, to which, I think, no exceptions can be taken by Canada.

Some further slight alterations were made in the text of the Treaty tending to simplify and to render its terms more precise, and the final drafts were then adopted and exchanged. I now inclose a copy of the text of the Treaty in French as it was approved at this meeting.

I saw Lord Dufferin afterwards, who has been unwell for some days past and unable to leave the Embassy, and on gathering from him that the Foreign Office would probably take a few days to consider the Treaty before authorizing us to sign, I decided to return to London to-morrow to offer any explanations that may be required, and to facilitate as much as possible early action being taken; at Lord Dufferin's request I am taking the Treaty with me to the Foreign Office, and I hope to be able to return next week again to Paris to sign the same with His Excellency.

In my judgment the terms of the arrangement I have been able to negotiate with France may be considered distinctly satisfactory, especially in view of the disadvantages under which Canada laboured, and which arose from the unfulfilled pledges given to France in the previous negotiations conducted by my predecessor, and the present small amount of trade interchanged. There can be no doubt that it compares most favourably with the recent United States arrangement with France, under which, as you will see on page 204 of the inclosed correspondence between Mr. Whitelaw Reid, the late American Minister in Paris, and Mr. Ribot, the United States gave free entry to \$11,000,000 of French products in return for the minimum tariff on woods, canned fruits, fresh and dried fruits, and hops.

I may remark in addition that this arrangement has not so far become law in France, having yet to pass the Senate; meanwhile, for the last nine months, France has enjoyed the advantage of her share of the bargain in the United States markets.

The present Canadian arrangements with France comprises a list of a number of articles upon which the minimum tariff will be conceded, and in which I believe a considerable trade may be developed with France.

I have placed the Hon. Hector Fabre, the Canadian Agent in Paris, in communication with the various gentlemen with whom I have been in contact in Paris and elsewhere in this matter, and he is preparing at my request an exhaustive report on the whole subject of trade in the list of articles in question. I hope shortly to have this ready for you.

With reference to the question of the proposed reduction of duty on paintings, prints, drawings, from 20 to 5 per cent. in exchange for the minimum tariff asked for by the French Commissioners, I have reason to believe that a reduction to 10 per cent. would be considered satisfactory. At the same time I may say that I shall most probably be able to have wood pavement in blocks (No. 129 in the French tariff) added to our list.

The question of obtaining the *minimum tariff on cheese* is, in my opinion, a matter of the utmost importance, and one that would far outweigh in solid advantages the small loss of revenue resulting from the concession asked in return.

It should lead to the Canadian cheese industry finding a large market in France, for a new product, Gruyere cheese, on most favourable and advantageous conditions. What Cheddar is in England, Gruyere is in France, namely, the most popular cheese, the consumption of which is enormous.