

OFFICE OF THE HIGH COMMISSIONER FOR CANADA, VICTORIA CHAMBERS,  
17 VICTORIA STREET, LONDON, S.W., 2nd December, 1892.

DEAR SIR JOHN THOMPSON,—The Honourable the Minister of Finance has taken with him copies of my reports to your predecessor, Sir John Abbott, on the negotiations which, under the instructions of the Canadian Government, I have been carrying on, in conjunction with His Excellency the Marquis of Dufferin and Ava, in Paris, in relation to the extension of trade between France and Canada. These papers include the proposal made by the French negotiators at our last meeting when we adjourned until we should receive an intimation of the decision of the Canadian Government upon that proposition.

I now inclose for your consideration a detailed statement (No. 1) of the remissions of duty that we should be called upon to make to France, and a statement (No. 2) on the other hand of the reduction of duty under the minimum tariff on the present exports to France, and one (No. 3) of the estimated value of the concessions which France proposes to make in relation to our trade with St. Pierre and Miquelon.

It must not be forgotten that so long ago as 1882, my predecessor, Sir Alexander Galt, made a formal proposal to the Government of France, based upon an Order in Council of the Canadian Government, declaring that at the next ensuing meeting of the Legislature the duty of 30 per cent. *ad valorem* on all French wines would be reduced unconditionally to 15 per cent. which, as you will at once perceive, only left a margin, provided that promise had been carried out, of 15 per cent. *ad valorem*.

The present proposal does not involve the surrender of the duty on any wines containing 26 degrees of alcoholic strength, and, therefore, it is not as extensive as the pledge given by the Canadian Government to which I have referred.

The unannexed memorandum upon the various articles on which it is proposed by France to give us the minimum tariff, will explain the grounds upon which, I think, we may hope to obtain a material extension of trade, probably in excess of the estimate (No. 4) herewith enclosed.

I trust that your Government will give the most prompt attention that it is possible to this important subject, and that you will inform me by cable of the decision at which the Council may arrive, and of any modification that you may find it necessary to adopt.

Looking to the great importance to Canada of obtaining new markets for the extension of her trade, I cannot but think these proposals worthy of the most favourable consideration of the Government.

I should add that the French negotiators were able to make a very strong case of the reduction to 5 per cent. of the duty on books, as all books are admitted free by France, and in the United States there is no duty on French books or publications. They also attached great importance to the reduction of the duty on Castile soap, as strengthening their hands in carrying any proposal through the Chambers, which is strongly protective in its policy.

I do not anticipate that the change in the French Government which is now taking place will materially affect the negotiations which have been carried on by gentlemen holding permanent and very high official positions in the Department of Commerce.

I remain, etc.,

CHARLES TUPPER.

P.S.—It should be observed in regard to Canada's trade with St. Pierre, that in the absence of any arrangement our exports thither after the 1st February next would be subject to the maximum tariff, and the duty payable on the basis of the enclosed returns would be some 287,000 francs higher than that to be levied under the proposed reduced minimum tariff.

C. T.

NOTES on items referred to in Statement No. IV (in despatch of December 1st, 1892) on the estimated additional trade with France under the minimum tariff.