

I have read over the letter addressed to Mr. Foursin by Mr. Faure, on the 14th April instant, in which the latter describes the interview which he had with His Excellency Mr. De Freycinet. I herewith annex a copy.

According to this letter, the most striking passages of which have been drawn up with much care, foreseeing the use which might be made of it (namely its official reference to the Dominion Government), His Excellency Mr. De Freycinet, after having set forth that France could not make a treaty with Canada without a previous reference to England, says distinctly :—" But, as a matter of course, if the Canadian Government, having the right to impose its own customs duties, should, of its own motion, decide to lower the duties on our wines and liqueurs, the French Government would, by that very act, feel itself bound (the last word is underlined in the original) to respond by an act of liberality of the character you mention." That is to say to ensure to Canada on the part of France the being placed in the category of the most favored nation. You will perceive, Sir, that His Excellency Mr. De Freycinet, bound under the circumstances to maintain a measure of diplomatic reserve, could not acknowledge with greater freedom his firm resolve to grant to Canada the privilege of the most favored nation, in return for the abolition of the duty of 30 per centum *ad valorem* on French wines. This new mode of conducting negotiations, if it were adopted by the Dominion Government, appears to me just the thing to bring about a speedy result. It is purely and simply the return to the former condition of affairs when Canada was always included in the treaties made with France by England, in which she was, as a consequence, placed on the same footing as the mother country, and enjoyed the privilege of the most favored nation ; and, looking on the other side, the imposition of a specific duty of 25 cents per gallon on French wines was the only charge to be found in the Canadian tariff. Following upon the terms of the verbal agreement, to which His Excellency Mr. De Freycinet, according to the letter I have just quoted, has given his assent, Canada would find herself, as before, in the same position as England, and this treaty of the 27th February, 1832, would be applied to her ; which treaty when it was made between the United Kingdom and the French Republic, had precisely for its end the avoiding of the difficulties which then presented themselves to the making of a commercial treaty properly so called between these two countries, as now exist between Canada and France. In my report of the 26th February, 1835, I believe that I plainly showed that the demands of Canada might be limited to the obtaining of the privileges of the most favored nation ; and to make the most of the full importance of this privilege in favor of the extension of our export trade, and the competition it has to suffer on the part of that of the United States. The only thing to be regretted is the fact that the arrangement has no fixed duration. But it must be remarked that Canada mentioned by name, will be placed by a French law within the conditions of the treaty of the 23th February, 1832 ; consequently all of a precarious nature affecting this arrangement only exists so far as France is concerned. As for the Canadian Government, it still retains entire liberty of action ; having the right to establish its customs tariff at will, it can suppress or re-establish the duties in question. It has to make no engagement binding in the future, and the principle of protection remains intact ; while at the same time making an attempt which cannot fail to be fruitful in brilliant results arising from the policy of making treaties of commerce with foreign countries. The interposition of business men who propose to establish the line of steamships is very naturally explained ; they must be given to understand clearly the interest which the public takes in their undertaking, and which is the reason why the subsidy is granted them. In this way they show themselves to be thoroughly worthy of the confidence reposed in them. The Dominion Government, I am firmly convinced, will desire to second their efforts and place them in a position to begin their operations at the soonest possible time.

Among the business men I refer to, are, besides those I have already mentioned, Mr. Girod & Co., vice-president of the Banque Maritime ; Mr. Millet, broker, near the Bourse at Paris ; Mr. Bernard, director of the Banque Maritime. I have had several interviews with Mr. Bernard, whom I have always found to be extremely favorable