

GRAND HOTEL, PARIS, 10th November, 1892.

DEAR SIR JOHN ABBOTT,—I have to confirm my letter of the 7th instant. It was arranged at our meeting on Monday that I should furnish the French representatives with a memorandum of my remarks to them. I accordingly drew up a precis of my statement on Tuesday morning and submitted a French version of the same to Sir Joseph Crowe that day with the request that if he approved to send it on to M. Hanotaux, which he did the same day.

I obtained yesterday the copies of the Customs Tariffs, Year Books and Trade and Navigation Returns, for which I had telegraphed to London, and I instructed my private secretary, Mr. Just, to leave them personally on the three French Commissioners. MM. Hanotaux and Roume were engaged at the time of Mr. Just's call, but he was received by Mr. Pallain and rendered that gentleman some little assistance by explaining to him the general plan of our trade returns and of the tariff classification. I am sorry not to have been able to supply these gentlemen with copies in French of all our documents. It was possible for me, however, to give each of them a copy of the French edition of the Year Book for 1890, which contains, fortunately, the Canadian tariff, with the amendments of 1891. Sir Joseph Crowe called for me to-day at 3.30 p.m. and we met the French representatives at the Foreign Office at 4 o'clock. I said at the outset that I had assumed, and that the French Customs law warranted me in believing that the minimum tariff would be given to any country which give France most-favoured-nation treatment, and I called attention to Article 1 of the Act in question, which reads as follows:—

"The general customs tariff and the minimum tariff of import and export duties are fixed in accordance with tables A and B appended to the present law. The minimum tariff shall be applied to goods the products of those countries which admit French products to similar advantages and which give them the benefit of the lowest rates."

I submitted that although the tariffs of France and Canada had both been raised, the minimum tariff was relatively very much higher than any increase in the Canadian tariff, that Canada had, moreover, given the same remissions of duty which had been made by the United States and in respect of which France had given the latter the minimum tariff on a number of articles, that the fact that Canada received nearly ten times as much from France as she sent to it, and that the large subvention the Dominion was prepared to give for the purpose of establishing direct trade between the two countries and which could not fail to be of very great advantage to France appeared to me to warrant the extension of the minimum tariff as a whole to Canada. I asked them, therefore, to say whether they were prepared to consider the question of giving Canada, in view of all these facts, the benefit of the minimum tariff in its entirety, or, failing that, whether they were prepared to treat as to the application of the minimum to certain articles.

The French representatives stated in reply that they had carefully considered the question of giving the whole minimum tariff to Canada, but they had arrived at the conclusion that it would be impossible to do so, as they feared that goods from the United States would be exported to France through Canada. But they would be prepared, if I would indicate the articles for which Canada specially desired to obtain the advantage of the minimum tariff, to study the subject carefully with the view of arriving at the tariff remissions they would expect Canada to make on the other side.

The French representatives also added that any tariff remission given to France would be much more valuable if it were confined to France and not extended to any other country. I replied that it was as impossible for us to entertain any such proposition as it would be for them to confine the minimum tariff to any one country, and that Canada must remain entirely free in that respect. I stated that Canada would certainly not give any other country any concession she might make to France without obtaining a sufficient equivalent in return.

I reminded the French representatives that I had already given them a provisional list of articles, a copy of which I transmitted to you with my despatch of the 2nd instant, and added that I would be glad to know what they had to say with regard to it. We thereupon went over a number of articles in question.