

the benefits of coasting in Canadian waters. That is to say, for instance a French vessel calling at Halifax cannot ship any goods in that port intended for another Canadian port, to which the remaining portion of her cargo is to be delivered.

Within the last few years the knowledge of Canada and its affairs has made great progress in France. Those who have carefully followed the movement which has recently taken place in this respect have been able to ascertain that French public opinion has really been directed to our country as the country of the future, upon which all eyes are fixed.

A number of articles, mostly reprinted from Canadian journals, especially *Le Paris-Canada*, appear in the Paris and Provincial press. An equally noteworthy circumstance is that to Canada there is flowing every year quite an unusual stream of French merchants and travellers of high social position. Although many of these may escape notice—as cabin passengers are not included in the emigration returns—yet the fact remains that quite a large number of persons are going over, all possessed of the object of starting business, acquiring lands, and sinking their capital in our Canadian enterprise. And every allowance being made it is impossible to deny that their wishes have up to now been fully realized, and that the country has already greatly benefited thereby. The opening at no distant date of a direct line of steam navigation will give a fresh impetus to a movement full of bright augury.

The feeling in favor of Canada is general in France, and daily the number of men of business, of capitalists, and especially of landed proprietors whom the agricultural distress has everywhere affected heavily, and whose anxiety for the future of their children is considerable, come to me for information, or otherwise communicate with me by letter. I can assure you, Sir, that a great many persons are only waiting for the establishing of direct relations to put their plans into execution.

Amongst those who possess a better knowledge of Canadian affairs than others, it is necessary to number the existing French Minister, as well as the most prominent men in political, commercial and financial circles. I have no information of my own to give you, since it was yourself who contributed most of the knowledge already imparted. It is needless for me, Sir, to dwell upon this fact, as nobody is more fit to recognize this, and none so qualified to lead the French Government to appreciate the same.

It is then the duty of the Canadian negotiator to make capital out of any favorable feeling that may exist, and to summon to his aid all and everybody whose sympathies he can enlist in the prosecution of his mission. His instructions should only consist in pointing out the extreme limit of the reductions which Canada has resolved to grant, in exchange for the reciprocal adoption, except the restriction relative to the eventuality of a treaty of reciprocity with the United States. To sum up, Sir, the Federal Government would have to abolish the 30 per cent. duty on wines, in return for being treated by France as the most favored nation. In other words, to decide whether it is possible to forego a customs duty, the revenue from which is only \$30,995 per annum, in return for the enjoyment of the numerous reductions which I have alluded to in the course of this report, which would give our commerce a privileged position over the United States in most of the products which would form our export trade. The information I have obtained from the most certain sources, and from the most influential public men, leave me no doubt but that such a result would be realized. Nevertheless great stress was laid on the necessity of Canada sending a special representative, with power to treat at once, and in a given period, and who should occupy the coveted position of *persona grata* in the eyes of the French Government. The recollection of the circumstances under which the former negotiations were carried on, make it imperative that, in the event of it being decided to open new conferences, they should be kept strictly secret, so that any arrangements that may meanwhile be agreed upon be not made public until the text should have been definitely settled, word for word; and in order to prevent any influence from without (*i. e.* outside Canada) causing a renewed failure. For our part, outside of the abolition of the duty of 30 per cent. on wines, and the admission to the benefit of the conventional tariff on the part of France, it appears