

It is believed that the special circumstances which are set forth in that report, and the important political considerations which are involved, fully outweigh any objections which may be taken to the theoretical sanction given to the imposition of discriminating duties on the articles in question.

My Lords, while reiterating the views expressed by them on former occasions, on economical grounds, admit that the provisions in question are consistent with the policy heretofore pursued by the North American Provinces; and as His Grace the Colonial Secretary intimates that he is not prepared to object to that policy, this portion of the Despatch would not seem to call for further observation.

The second point, as stated by His Grace,—viz., “The exclusive favour which substantially, or at all events apparently, might be conferred on the United States, if the clause providing for the admission of certain products of that country, in the event of certain contingencies, should come into operation,” and which His Grace is pleased to say “he fears could not be acceded to,”—raises a question of such deep import to the people of this Dominion that the undersigned deems it his duty to advert to the course which has hitherto been pursued by Her Majesty’s Government with reference to it, in the conviction that further consideration will lead His Grace to withdraw the objections which by anticipation have been advanced.

The peculiar position in which Canada and the United States stand to each other, makes it for their mutual interest to exchange certain articles on reciprocal terms.

The truth of this proposition has never been denied by Her Majesty’s Government; but, on the contrary, their influence has been invariably exercised in furtherance of such reciprocal arrangements. As early as 1848, Mr. Crampton, Her Majesty’s Representative at Washington, was instructed by Lord Palmerston to urge on the American Government the establishment of reciprocal free trade in natural products between Canada and the United States; and, on the appointment of Sir Henry Bulwer, his successor, in 1849, the Imperial Government specially directed him to continue those negotiations, to the successful termination of which, in the Despatch of Lord Palmerston, it was stated Her Majesty’s Government attached the very highest importance. The consideration of the subject continued to be repeatedly pressed on the American Government between that time and the year 1854.

In the latter year, the Treaty known as the Reciprocity Treaty was finally concluded, admitting certain natural products of each country free into the other, without any qualification as to the differential or discriminating character of its provisions. On the anticipated abrogation of that Treaty by the United States in 1865, Her Majesty’s Government again lent the weight of their influence in favour of its continuance, and Her Majesty’s Representative at Washington was persistent in his efforts, as well to prevent its termination as subsequently to effect its renewal.

Indeed, since the period of its abrogation by the action of the United States Congress, the propriety of its renewal has been an object of avowed solicitude on the part of the Imperial Government.

In 1865, the delegates from Canada who visited England for the purpose of conferring with Her Majesty’s Government on various important matters affecting the interests of the Dominion, were again assured that Sir Frederick Bruce, Her Majesty’s Representative at Washington, had received instructions to negotiate for a renewal of the Treaty, and to act in concert with the Government of Canada to that end.

It thus appears that the principle of establishing special trade relations on reciprocal terms between Canada and the United States, has been uniformly recognized and approved of by Her Majesty’s Government since the year 1848.

The question has, however, been raised by the Government of the United States, whether the arrangements ought properly to be effected by means of a Treaty, or in the form of reciprocal legislation.

Objections were taken to the former course during the first negotiation in 1848; and in order to remove them, it was proposed that concurrent legislation should be had by Canada and the United States of America, under which the products of each country should be admitted free into the other. The two Bills proposed at that time, the one by Canada and the other by the United States, are almost identical in their terms with the clause to which my Lords now take exception.

It is worthy of note that the object and scope of the legislation then proposed by Canada were specially brought under the notice of Her Majesty’s Government at the time; and in a Despatch from Earl Grey, then Secretary of State for the Colonies, to the Governor-General of Canada, his Lordship states, “that Her Majesty’s Government can have no objection to the repeal by the Provincial Legislature of the duties enumerated in the Bill.”

On that occasion the Lords of the Privy Council of Trade were pleased to observe, in reference to the reciprocal legislation proposed by Canada, to meet the provisions of a similar Bill then before Congress, that “My Lords, considering the various interests in Canada which may be affected by the measure, and that the questions involved in it bear more upon the welfare of Canada than of Great Britain, recommend it to be left entirely to the decision of the Provincial Legislature.” That Bill, having been passed by the Legislature, was specially transmitted for the signification of Her Majesty’s pleasure by the Governor-General; and after full deliberation by the Imperial Government, and a consideration of its provisions by the Lords of the Committee of Privy Council for Trade, it was formally assented to by Her Majesty.

If any further approval of the character of the legislation were needed, it will be found in a Despatch of Lord Palmerston to Sir H. Bulwer, under date the 1st November, 1849, in which His Lordship states—“That Her Majesty’s Government regard it as of the very highest importance, both commercially and politically, that free admission to the market of the United States should be obtained for those articles which are enumerated in an Act passed in the last Session of the Canadian Parliament, of which I enclose a copy for your information.”

This is the same Act as that already referred to. The exercise of the power conferred by that Bill was, however, prevented by the failure of Congress to pass its measure; and before reciprocal legislation could be had, the Treaty of 1854 was entered into.