

That Treaty afterwards received the formal sanction of the Imperial Parliament (17th and 18th Vict. c. 3).

On the expiry of the Treaty in 1865, negotiations took place for its renewal, and the question which had been originally raised by Mr. Clayton, the American Secretary of State, in 1848, as to whether trade relations might properly and constitutionally be regulated by Treaty, was again raised by the American Government.

Mr. McCulloch, the distinguished Secretary of the Treasury, in his Annual Report for 1865, thus adverts to the objections:—

“There are grave doubts whether Treaties of this character do not interfere with the legislative power of Congress, and especially with the constitutional power of the House of Representatives to originate Revenue Bills.”

“It is certain that, in the arrangement of our complex system of revenue through the tariff and internal duties, the Treaty has been the source of no little embarrassment. The subject of the revenue should not be embarrassed by Treaty stipulations, but Congress should be left to act freely and independently. Any arrangement between the United States and the Canadas and Provinces, that may be considered mutually beneficial, can as readily be carried out by reciprocal legislation as by any other means. No complaint would then arise as to subsequent changes of laws, for each party would be free to act at all times according to its discretion.

“It is desirable to diminish the temptations now existing for smuggling; and if the course suggested, of mutual legislation, should be adopted, a revenue system both internal and external, more in harmony with our own, might justly be anticipated from the action of our neighbours, by which this result would be most likely to be obtained.”

To meet the objections thus repeatedly urged by the Government of the United States, the clause in the Canada Customs Bill of 1868, to which His Grace calls attention, was inserted; the sole object of that clause being that Canada might by means of reciprocal legislation (in case the United States preferred that course) perform its part towards the accomplishment of an object which, as has been shown, Her Majesty's Government had repeatedly urged on the United States, and sanctioned, both by direct negotiation with that Power, by the solemnity of a Treaty, and by a formal engagement with the Canadian Delegates.

The undersigned has felt it to be so important that any negotiations which may take place with the United States for the re-establishment of free commercial intercourse between them and Canada, should be untrammelled, that he has perhaps entered at needless detail into a review of the past history of this question, and possibly gives rise to the impression that in carrying on these negotiations in the future it is intended, or that it will be necessary, to disregard the sound rules of political economy adverted to by my Lords, or practically to violate the International Treaty engagements of Great Britain entitling foreign Powers to participate in any concessions which Canada may grant to the United States.

If the obnoxious clause were put in operation, it would only renew in effect an almost identical provision in the Act of 1849 and in the Treaty of 1854.

In the correspondence adverted to in the Despatch of His Grace, which took place on the subject of the Treaty, it was shown that its operation was not to put an end to, nor even to diminish in any sensible degree, the import from other places than the United States of articles admitted free under its provisions, nor to subject either England or foreign countries to any practical disadvantage in reference to the import of their products into Canada. Any exemptions which the United States and Canada might respectively find it for their advantage to accord, could hardly, in their very nature, influence the trade of either country with foreign nations, since they would probably be limited to the interchange of those products of the two countries which, from their proximity, each might profitably interchange with the other, but which neither would receive to any sensible extent from other nations, even if no reciprocal arrangements existed.

The inquiry made by His Grace touching the articles enumerated in Schedule D, viz., “Whether there would be any serious inconvenience to Canada, in the application of the same exemption from duty to similar articles from all other foreign countries and from Great Britain,” in case Canada admitted them free from the United States, will be answered by the subjoined table, which distinguishes the amount of duty collected on each of those articles, the growth and produce of the United States, the growth and produce of Great Britain, and the growth and produce of foreign countries.

In conclusion, the undersigned trusts that, as the circumstances of political exigency and the important national considerations which, as stated by Her Majesty's Government, led to the conclusion of the former Treaty of Reciprocity with the United States, still exist,—and in even a greater degree than previous to the date of the Treaty,—and as the interests of Canada continue to be seriously affected, Her Majesty's Government will not refuse to give the same weight to these considerations as before; and that in any future negotiations between Canada and the United States, in reference to their trade relations, the Dominion will receive the co-operation and influence of Her Majesty's Government.

It will be the endeavour of Canada to see that they involve no substantial violation of the Treaty engagements of Great Britain, nor any practical departure from those sound economical principles upon which the undersigned has already expressed his opinion they should be based.

JOHN ROSE,
Minister of Finance.

Ottawa, 3rd September, 1868.

No. 2.

ADDRESS TO THE RIGHT HON. THE SECRETARY OF STATE FOR THE COLONIES,

From the Intercolonial Conference held at Sydney.—Adopted 11th February, 1873.

TO THE RIGHT HONORABLE THE SECRETARY OF STATE FOR THE COLONIES,—

The Representatives of the Colonies of New South Wales, New Zealand, Queensland, South Australia, Tasmania, Victoria, and Western Australia, assembled in Conference in Sydney, have carefully