

APPENDIX.

I.

Foreign Office, 11th November, 1865.

SIR,—

I have laid before the Earl of Clarendon your letter of the 7th instant and its enclosures, relative to the measures proposed by the Government of Canada for the extension of the commercial relations of the British North American Provinces with the British and Spanish West Indies, and with Mexico, Brazil, and other countries, and I am to request that you will state to Mr. Secretary Cardwell that his Lordship concludes that, as regards foreign countries, the agents who may be sent from the British North American Colonies will not assume any independent character, or attempt to negotiate and conclude arrangements with the Governments of foreign countries, but will only, as proposed by the seventh resolution of the Confederate Council on Commercial Treaties as regards negotiations with the United States, enclosed in Lord Monck's Despatch No. 185, of the 23rd of September, be authorized to confer with the British Minister in each foreign country, and to afford him information with respect to the interests of the British North American Provinces.

A similar process has been adopted in various negotiations for commercial treaties in which Her Majesty's Government have recently been engaged with foreign Powers; and Lord Clarendon, on receiving from Mr. Cardwell copies of the instructions given to the Colonial delegates, will be ready to authorize Her Majesty's Minister at Madrid as regards the Spanish West Indies, and Her Majesty's Ministers on the continent of America, to communicate with these Colonial delegates, and, in the first instance, to assist them in their inquiries as to what openings there may be for extending the trade of the British Colonies, and afterwards to ascertain how far any overtures for that object would be likely to be well received by the Government to which those Ministers are accredited.

Having thus obtained grounds for further proceedings, Her Majesty's Government might in the next place consider, in communication with the Lords of the Committee of Privy Council for Trade, how far any proposals might be made to foreign countries in behalf of the Colonies, consistently with the general Treaty engagements of the British Crown; and, this point being satisfactorily ascertained, instructions might be framed in this country for Her Majesty's Ministers in the countries in question, and full powers issued to them by Her Majesty, under which they would endeavour to bring into the shape of international engagements such arrangements as might be ultimately considered acceptable, not only to the Colonies themselves, but also to the foreign Powers with whom they were contracted.

I have, &c.,

The Under Secretary of State, Colonial Office.

E. HAMMOND.

II.

(Confidential.)

THE Minister of Finance, to whom has been referred the Despatch of His Grace the Duke of Buckingham and Chandos, under date 24th July, 1868, transmitting a copy of a letter from the Lords of the Committee of the Privy Council for Trade, on the subject of the admission of certain articles (under the provision of the recent Customs Act of the Dominion of Canada) duty free, from the British American Provinces not included in the Dominion, and on the power reserved by the same Act to admit the like articles, when the growth and product of the United States, either duty free or on reciprocal terms, so soon as the United States shall provide for the importation thereof on corresponding terms into the United States—has the honor to report:—

The first of these objects has been already fully discussed by the undersigned, in a report which he had the honor of laying before, and which was approved of by His Excellency in Council, on the 13th January last.

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.