

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 negotiations 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.

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 objection thus repeatedly urged by the Government of the United States, the clause in the Canada Customs Bill of 1863, 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