



The Treaty of Commerce between England and France in 1786

Author(s): Oscar Browning

Source: *Transactions of the Royal Historical Society*, Vol. 2 (1885), pp. 349-364

Published by: [Cambridge University Press](#) on behalf of the [Royal Historical Society](#)

Stable URL: <http://www.jstor.org/stable/3677876>

Accessed: 27-03-2015 00:59 UTC

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at
<http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



Cambridge University Press and Royal Historical Society are collaborating with JSTOR to digitize, preserve and extend access to *Transactions of the Royal Historical Society*.

<http://www.jstor.org>

TRANSACTIONS
OF THE
ROYAL HISTORICAL SOCIETY

THE TREATY OF COMMERCE BETWEEN
ENGLAND AND FRANCE IN 1786.

By OSCAR BROWNING, M.A., F. R. Hist. S.

(*Read* November 20, 1884.)

THE eighteenth article of the Treaty of Versailles between England and France contained a provision that commissioners should be appointed on either side to draw up new arrangements of commerce between the two nations on the basis of reciprocity and of mutual convenience, and that these arrangements should be completed within the space of two years, dating from January 1, 1784. The insertion of this article had not been effected without difficulty. The views of France and England as to foreign trade were divergent. The French were what in modern language would be called free traders. Vergennes and his advisers had learnt from the physiocrats that the wealth of a country consisted not so much in the amount of gold and silver which happened to be within its borders at any particular time, as in the natural products of the country itself. The English ministers were to a great extent under the dominion of the mercantile system, which taught that the balance for or against the wealth of one country compared with another lay in the larger amount of cash which one of the countries possessed.

Thus, in arranging the conditions of peace, while the French ministers wished for a fresh treaty of commerce with England, the English ministers only desired the renewal of the treaty of commerce of 1713, made at the Peace of Utrecht. This treaty, which never came into complete effect, placed France and England reciprocally on the footing of the most favoured nation, but it was deeply affected by the Methuen treaty between England and Portugal, which gave Portugal a special position towards England superior to that of any nation, however favoured.

The Peace of Versailles was made by Lord Shelburne, with Pitt as his Chancellor of the Exchequer; but when the coalition ministry came into power under the Duke of Portland, Fox was less favourable to the demands of France. It was only by the persistence of the French minister that the insertion of clause 18 was obtained, and the English ministry intended that it should, if possible, remain a dead letter. The divergence of views was still further shown in the declaration and counter-declaration of the two Governments with regard to the clause. The English declaration pointed to a revision of existing treaties, the French counter-declaration to the drawing up of an entirely new treaty.

England showed no anxiety to complete her share of the bargain. The Treaty of Utrecht had been complained of as admitting French linens too readily to England. They amounted to three times as much as the English wool exported to France. The years previous to the peace had witnessed a large development of manufactures in England. Hargreaves had completed his spinning jenny in 1765; Arkwright's first spinning mule worked by water-power dates from 1769; Crompton completed his spinning mule in 1779. There was a natural desire to find a sale for these manufactures in France.

In March 1784 Mr. Craufurd was nominated English commissioner, and Gerard de Rayneval French commissioner. Craufurd, however, stayed in England, making inquiries into smuggling, which was then very prevalent, especially in tea

and brandy. The Count d'Adhémar, French ambassador in England, pressed for Craufurd's departure, and he eventually went to Paris at the end of September 1784. Up to January 1785 nothing had been done, and Adhémar remonstrated with the British Government. Lord Carmarthen, the Foreign Secretary, who, indeed, understood but little of these matters, replied that they had no need of new arrangements, but that they were quite satisfied with the Treaty of Utrecht. Adhémar, replying with great warmth, threatened to abandon the arrangements of Utrecht if the new treaty were not speedily concluded. Barthélemy, writing from England on April 19, 1785, complains that England imports raw cotton from France and re-exports it manufactured, and was also the means of passing into France Indian and Chinese products which were prohibited in England. In order to put pressure upon England to fulfil the engagements which she was so reluctant to conclude, edicts were issued by the French Government in July 1785 forbidding the importation of a number of British manufactures, thus contravening their own principle of free trade. Only raw material was allowed to be imported from England, and shopkeepers were not allowed to exhibit advertisements of 'marchandises d'Angleterre.'

This strong measure stirred up the English to action. Dorset reports to Carmarthen that the manner of Vergennes towards him, which was at first cordial, has materially changed. Vergennes is vexed because the English have done nothing about the treaty of commerce. He expresses a wish that steps should be taken to establish a more friendly intercourse between the two countries. The treaty of commerce, signed at Utrecht between France and England in 1713, had contained ten articles, the ninth and the tenth of which were not to be valid unless ratified by the English Parliament. Their effect would have been to have re-established the tariff of 1664, placing France in the position of the most favoured nation, and doing away with the privileges which the Methuen treaty had given to Portugal in 1703. The Bill had been rejected by a small majority, and France

was now desirous that these two articles should be put into force. Craufurd explained that England could not admit these articles as a basis for negotiation, upon which Rayneval said that the French were desirous of reciprocity, and that if the English did not approve of this simple principle, they must suggest some other arrangements 'Nous vous offrons tout,' he said, 'c'est à vous à juger si cela vous convient, et si vous êtes disposés à admettre la réciprocité. Si vous la jugez inadmissible, c'est à vous à indiquer les exceptions.'

On October 6, Hailes, who was Chargé d'Affaires at Paris in the Duke of Dorset's place, writes that he had mentioned the treaty of commerce to Vergennes. He was very ill-humoured from our delay. He complained that no answer had been returned to Rayneval's proposals; he would offer a proportionate reduction of duties upon any article of equal magnitude we might prefer to name, provided we would receive French wines and brandies upon the same footing with those of other countries. Carmarthen replied on October 27 that he was willing to consider propositions for admitting French wines and brandies on favourable terms to England if the French would make similar changes with regard to English products. But he added, 'You must protect us from the wrath of the Portuguese.'

It is necessary in this place to give some account of the Methuen treaty, which so long stopped the way to an amicable arrangement between France and England. The Methuen treaty dates from the war of the Spanish succession, and was concluded for the purpose of attaching Portugal to the Grand Alliance. By it Portuguese wines were to be introduced into England at one-third less than the duty on French wines, and in return all wool except English was excluded from Portuguese markets. Both parties exulted over the treaty as a victory, but in reality it was a disaster for both. From 1675 to 1696 France had sent an average of 15,000 tuns of wine to England, Portugal only 300 tuns. In 1712 England imported 1,161,908 pipes of Portuguese wine and 16,053 pipes of French wine. Intercourse with France was prevented. It

would have been better to have had free trade with France in wool than an exclusive command of the Portuguese market. Bordeaux and Burgundy were the natural exports of France to England. The Methuen treaty prevented English statesmen from making advantageous commercial arrangements with France ; on the other hand, the wine trade benefited the Portuguese nobles, but not the common people. The production of grapes drove out that of meat and bread, and Portugal became dependent upon foreign countries for its food supply. Competition also spoilt the profits of the wine trade, and great fortunes were undermined. The habit of drinking port instead of claret did no good to our ancestors in the last century, while the Portuguese peasant, driven from his holding by a feudal superior, was not able to recoup himself by manufactures which the monopoly of England prevented from being established. The English exports to Portugal were much larger than the Portuguese exports to England, and the balance of trade did not offer an encouraging prospect to France.

On October 24 Vergennes announced to Hailes that he should consider the Treaty of Utrecht at an end at the close of the year, and it became known that France, despairing of English friendship, was beginning to negotiate with Holland. The fear of a Franco-Dutch alliance stimulated the English ministry. Craufurd at last sent a reply to Rayneval. He asked what were the articles which France wished should enter England, and promised that England would give similar information, as England was extremely desirous to enter into friendly relations. The news now arrived that France had actually signed a treaty with Holland. This roused into action the master-mind of the Cabinet. Pitt saw that further delay would be dangerous. On December 9, writing in Carmarthen's name, he asked for a further extension of the time, which was just expiring, in order to arrange a commercial system founded on the law of mutual and reciprocal advantage, a system which might form a solid and permanent connection between the trading part of the two

countries. Vergennes replied by granting six months' delay, which might be extended to twelve. 'William Eden, afterwards Lord Auckland, was sent by Pitt for the especial purpose of negotiating the treaty, while France was represented by Gerard de Rayneval.

There is no doubt that the taking of any steps to meet the wishes of the French was due to the initiative of Pitt. It is not likely that George III. knew much of the advantages or disadvantages of commercial treaties, and Lord Carmarthen, the Foreign Secretary, was more than half-hearted in the work. The first two years of his ministry were occupied by jealousy of France; he saw French intrigue in every European movement. In the familiar letters which passed between Carmarthen and Sir James Harris, the ambassador at the Hague, we see the contempt with which they regarded the attention given to cottons and woollens when compared with questions of high policy; and they were never tired of ridiculing the facility of Eden, who was foolish enough to believe that the French could be honest negotiators. On the other hand, Pitt, trained carefully in the best economic science of his age, by nature and education averse to a spirited foreign policy, had found his attention directed by necessity to questions of finance at his first entering into office. At the close of the American war England was practically bankrupt. There was a yearly deficit of three millions; the Three per Cents. were as low as 56. Smuggling, especially in tea and spirits, was carried on to an enormous extent. Far more tea was sold by smugglers than by the privileged East India Company. A large amount of debt was unfunded. Pitt took the most energetic means of remedying these evils. He reduced the tea duties from 50 per cent. to $12\frac{1}{2}$ per cent., and thus rendered smuggling unprofitable. He imposed a number of new taxes, many of which have disappeared under the influence of more enlightened legislation. He was thus able in a short time to restore equilibrium, and to place the power and influence of England upon a secure basis. In 1785 Pitt brought forward a measure to establish free trade between England

and Ireland, which did not at that time exist. Resolutions for that purpose were passed by large majorities in the English Parliament, but met with so feeble a support in that of Ireland that they were dropped. It was only to be expected that a minister whose two first years of office had been occupied in these efforts would not allow the opportunity of establishing commercial relations with France to slip. He showed great discrimination in selecting William Eden as a negotiator. He had formerly been attached to the Opposition, and was a great friend of Lord North and Lord Loughborough. But he possessed a clear head and great industry, and probably no better instrument could have been selected for the work. In January 1786 Eden tells his brother Morton that he is spending all the morning at the council board examining merchants and manufacturers. At the same time the treaty had many enemies, both English and French. Fox said that our commercial prosperity had never been so great as when our relations with France were most strained. Adhémar and Barthélemy, the representatives of France in England, were both opposed to the treaty. They were keenly alive to the suspicious conduct of the English Government towards France; they did not see that these feelings were not shared by Pitt. Adhémar warned his country against *Anglomanie*. Even the success of Pitt in transferring the duty upon wine from the customs to the excise, which was done to prevent contraband, and to check the manufacture of British wines, did not open their eyes to his sincerity. A negotiation was set on foot, which has been little noticed by English writers, for transferring the great inventors Watt and Boulton from England to France. This was very nearly carried out, and it is difficult to say what effect such a transference might have had on the comparative development of French and English commerce.

At last, on March 30, 1786, Eden arrived in Paris. He saw the minister Vergennes on the following day. He was introduced to the Royal Family and to M. de Rayneval. To him Eden communicated some minutes of a treaty, which on

April 17 took the form of a project agreed upon by the two negotiators. The chief points of it were as follows: 1. The object of the treaty is to secure friendship and good-will, and an entire liberty of navigation and commerce between France and England and their respective dominions. The hindrances to trade at present existing only tend to encourage contraband. 2. Each nation is to be placed in the position of the most favoured nation as far as is compatible with existing treaties, or with treaties which may be made in future. 3. Any alteration of tariff in the way of abolition is only to take place twelve months after the conclusion of the treaty. Any reduction of tariff is to be made gradually. 4. The present treaty is not to affect existing treaties between France and England, and especially the Treaty of Utrecht, 1713. 5. The treaty is to continue in force for ten years. 6. Mutual arrangements are to be made on the basis of reciprocity for the benefit of his Majesty's subjects. Pitt criticised this project in a letter dated April 20. He objected to the liberty of future modification given in the first article, because it would enable either Power to evade the treaty at pleasure, and to render it useless. He also suggested an alteration in the terms of the eighth article, which was intended to apply to Ireland.

On May 5 Pitt proposed in the Commons, and carried his motion with regard to the excise of wine mentioned above. He said in his speech that although the consumption of wine had increased, the legal importation of it had diminished in the last thirty-six years. That on the supposition that the importation of wine was the same now as it was thirty-six years before, the revenue was losing to the amount of 280,000*l.* a year. This proposition had once caused the overthrow of Sir Robert Walpole, but it might now be carried without danger. To remove the duty on wine from the customs to the excise would, by checking smuggling and discouraging the manufacture of English wine, stimulate the importation of foreign wines, and improve the revenue. On May 10 Pitt made to Eden a still more detailed criticism

on the project agreed upon by him and Rayneval. He remarks, in the first place, that the treaty would be of very little use unless it were accompanied by a revocation of the French edicts prohibiting the importation of English manufactures. Secondly, there must be more safeguard that the terms agreed upon by the treaty will not be arbitrarily altered. It is obvious that Pitt did not entirely trust the French on these points. If these matters could be satisfactorily arranged, he thinks it will be best to make a definite treaty at once. In this treaty he is willing to waive the Methuen treaty, and to receive French wines and brandies on the terms of the most favoured nation, or even to make an abatement below the lowest rate of duty at present. In return for this, England should desire the admission of her hardware and earthenware at moderate duties. France formerly sent to England 10,000 or 12,000 tuns of wine, why should she not do so again? France might, under these altered circumstances, send us many wines of a worse growth than claret. The chief point on which there might be a doubt in the English ministry is waiving the Methuen treaty. But considering the present state of our Portugal trade, the dependence in which Portugal must always be upon English markets, and the great advantages to be received from France, in return for what England should give, Pitt is inclined to think that this point ought not to be in the way of the treaty if in other respects desirable. We see in this letter Pitt far in advance of his age. The policy which he was prepared to adopt in 1786 was not accepted in England till 1831 or even 1860. France pressed hard for the abrogation of the Methuen treaty, but King George and the subordinate ministers were too much prejudiced to yield.

We learn the views of the French ministry on the subject by a paper laid before the *Conseil d'État* on May 21. The preamble states that England makes more liberal offers than could have been expected: ought we to accept them? Let us lay down certain economical principles: 1. The more things a nation produces which it does not require for its own use,

the more it should desire to export them. 2. The cultivation of the soil is the solid foundation of prosperity. The exportation of natural products should be encouraged, so as to develop the cultivation. 3. The interest of the cultivators of the soil should always be preferred to that of manufacturers. 4. It is a mistake to aim at making all nations produce the same articles. It is also wise to encourage competition with foreign nations, because it stimulates your own production. 5. Manufactures should be protected, the price of which is 10 per cent. above contraband prices. 6. The interest of the consumer should be preferred to that of the manufacturer and the merchant. We see in these abstract principles the influence of that physiocratic school, then powerful in France, which regarded the produce of the soil as the only source of wealth. The French Government had so strong a belief in these dogmas, that they were ready to make considerable sacrifices for their maintenance. The French paper proceeds to apply these principles to practice. France has a large superfluity of products, and therefore it is the interest of France to send their products in exchange for English products. France would send to England her wines, brandies, vinegars, and salt, the produce of the soil which England cannot rival, while England would supply in return cloth, linen, silk, and fashions. The supply of English manufactures would stimulate competition in France, and an over-supply of any commodity could easily be transferred from France to Spain. What reduction of duties, then, is France to ask for? French wines now pay 99*l.* a tun duty, those of Portugal 46*l.*, those of Spain, Germany, and Hungary 50*l.* The legitimate importation of Bordeaux wine is from 400 to 500 tuns; the amount smuggled by Jersey and Boulogne about 400 tuns. This does not include either Burgundies or champagnes. Ireland consumes 1,500 to 2,000 tuns. Formerly 8,000 tuns a year was a moderate importation into England. The Methuen treaty is not strictly observed. By it French wines need only pay a third more than Portuguese wines, whereas in fact

they pay double. French brandies and vinegars were at a similar disadvantage as compared with Portuguese. At present 400 tuns of wine at 100*l.* a tun duty produced only 40,000*l.* revenue, whereas 8,000 tuns at 50*l.* would produce 400,000*l.* revenue. If the Methuen treaty were strictly observed, French wines should be admitted to England at 67*l.* a tun. If this were done, French cloths and cambrics should also be admitted free. Brandies and vinegars were not mentioned in the Methuen treaty, and therefore the duties upon them might be subject to any reduction the English Government might wish.

The paper proceeded to argue that no great danger was to be apprehended from the competition of English cottons and woollens. Fine English woollen cloths, it maintained, are not superior to French, but are cheaper; the best showed a difference of 14 or 15 per cent. This is not from the cheaper price of labour, which is dearer in England, nor from the price of wool, because France and England both import wool from Spain. It comes from the taxes which are laid upon wool in France, and the monopoly of its production. Both these causes could be removed by legislation. The competition of England would stimulate the French manufacturers to greater exertions. More difficulty would be found from the competition of lower priced woollens. The English cottons are 20 per cent. cheaper than the French, which is the result of English machinery. The memoir then concludes with the following propositions: 1. France has an interest in procuring facilities for the importation into England of its wines, vinegars, and brandies, and should make sacrifices to obtain it. 2. The principal offer it can make in return is the admission of English hardware. 3. We also require admission for artificial flowers, perfumery, fashions, plate glass, and soap, and for these we may admit English cottons in exchange. 4. We may admit English woollens in exchange for our own woollens or other articles. 5. France should ask for its wines to be on the same footing with those of Portugal. If a larger duty is

imposed upon them, it should be less than the third provided for by the Methuen treaty. These principles are subject to modification, but a system of prohibition is essentially vicious and vexatious. At any rate, France will have the satisfaction of offering an example of enlightenment and magnanimity which England will do well to imitate. This paper was drawn up in evident ignorance of Pitt's personal willingness to waive the Methuen treaty.

As the project of treaty agreed upon by Eden and Rayneval had now been criticised on both sides, and had not proved satisfactory, it was determined to proceed by a different method. On June 3 Eden presented a declaration from the King of England, whereas the counter-declaration of the King of France was dated June 16. The declaration consisted of four articles: 1. That the navigation and commerce of the two countries shall be placed upon the footing of the most favoured nation, except where special privileges have been granted to a particular power. 2. Besides this general principle, arrangements are at once to be made for establishing specific duties. 3. Each party has the right of reviewing the arrangement after ten years. 4. All the stipulations of the Treaty of Utrecht not annulled by the present treaty are to continue in full force. The counter-declaration also consisted of four articles, which are nearly identical with those of the English declaration. They do not insist on the abrogation of the Methuen treaty, a point which was not obtained without great difficulty. The chief difference lies in the tone of the preamble, France rather emphasising the abolition of all duties, England the placing of France on an equality with other nations.

After this step had been taken there was a long pause. Eden had to go regularly to Versailles, and to announce in answer to inquiries that he was still without instructions from his court. In the meantime the terms to be conceded by England were in the hands of Jenkinson, afterwards successively created Lord Hawkesbury and Lord Liverpool. He was determined, as Lord Carmarthen said, to see how far the French were in

earnest. He lacked the broad and generous ideas of Pitt, and confined himself to driving the best bargain for the country. The result of his calculations is contained in a despatch from Carmarthen to Eden dated July 18, 1786. The Methuen treaty is to be continued, but the duty on French wines is to be reduced from 9*l.* 5*s.* 3*d.* a tun to 6*l.* 6*s.* 4*d.*, that is just one-third more than is paid by the wines of Portugal. Brandies and vinegars were to be placed on the footing of the most favoured nation, and their superior quality would give them an advantage. In return for this it is hoped that France will admit the hardware, the woollen and worsted of England on moderate terms. French linens are reduced to the level of those of Holland and Flanders, and cambrics and lawns are to be admitted on a duty of 12 or 15 per cent. In return for this England expects a reciprocity in the matter of cottons. Silks, for which Rayneval had earnestly pleaded, are to be absolutely prohibited. George Rose and the more cautious financiers of the day were afraid of a rising of the Spitalfields weavers. Amicable arrangements are to be made with reference to plate glass, porcelain, and fashions. It will be seen that these terms were harder than Pitt was at first inclined to offer. French wines, brandies, and vinegars were not placed on the footing which they occupied at the beginning of the eighteenth century, and French silks were altogether excluded.

Eden wrote to Pitt that his heart sunk within him when he read these instructions; it was not till the third reading that he began to pluck up courage. Rayneval's reply to these new instructions was dated on August 10. He said that as England was not inclined to admit the principle of free trade, France would proceed on the basis of reciprocity; at the same time it was most essential that the Methuen treaty should be to some extent modified. The duties proposed on wine, brandy and vinegar were too large: 6*l.* a tun would act as a prohibition to anything like national consumption. Before the treaty with Portugal the duties were only 10*l.* a tun for both countries. France was ready

to accept the proposals about hardware, and would admit these goods on a reciprocal duty of 10 per cent. As England absolutely refused French silks, they would not insist upon that point, but would arrange for the reciprocal admission of gauzes and silk lace. The necessity for reducing the duty on wines, brandies, and vinegars was again enforced by Rayneval three days later. Vergennes urged that French wines should be admitted on the same footing as those of Portugal. Rayneval suggested in the same letter that silks might be allowed to enter on either side at a duty of 12 per cent. These efforts were unavailing. The Spitalfields weavers refused in the most peremptory way to admit French silks even in the form of ribbons. Jenkinson, created Lord Hawkesbury on August 21, persuaded his colleagues to maintain the differential duties of the Methuen treaty. The other difficulties, however, were gradually smoothed away, and on September 26 the treaty was signed at Versailles.

The treaty consists of forty-seven articles. A very short account of its principal features will suffice. The first article provides that there shall be a reciprocal and entirely perfect liberty of navigation and commerce between the subjects of the two countries, as is agreed upon in the following articles. The second article allows a year's notice to the subjects of either crown for removing their persons or their effects in case of the breaking out of war, a provision which was not respected by Napoleon at the rupture of the Peace of Amiens. The sixth article is concerned with the new tariff which is drawn up on the lines which have already been described. These duties are not to be altered but by mutual consent. Both sovereigns reserve the right of countervailing, by additional duties, the internal duties actually imposed on the manufactures, or the export duties which are charged on the raw materials of certain specified articles. Some of the later articles are concerned with the more general questions of international law: article 22 carefully defines contraband; articles 24 to 28 regulate the manner in which the visitation of ships is to be conducted in time of war; article 29 provides that

the flag does not cover the merchandise, and that the property found on the enemy's ships is fair prize unless it have been embarked before the declaration of war. Other articles refer to the adjudication of prizes, and by article 46 the duration of the treaty is limited to twelve years.

The outbreak of the French Revolution so shortly afterwards makes it difficult to calculate the exact effect of the treaty. There is little doubt that it proved to be more favourable to France than to ourselves. The taste of the English in wine was not materially changed, as it has been by the commercial treaty of our own day ; whereas English hardware and linen found an immediate sale in France ; at the same time the Portuguese did not like the treaty, and were afraid of its result. Lord Sheffield, a political economist of some repute, and the friend and host of Gibbon, writes a criticism of the treaty to Eden on October 4, which seems to be well founded. He says that it is extravagant to pronounce an opinion on forty-seven articles, a very small part of which is known to him, but that as far as he can judge from what he knows the reciprocity is all on one side, and he cannot discover a single advantage the French have gained. He thinks that the French have been for once at least taken in, and have exhibited themselves very ignorant and foolish. The French, he believes, will gain nothing by the importation of cambrics ; the reduction of the duty on brandy is not enough to prevent smuggling ; and the failure to procure the admission of French silk is attributed to the ignorance and folly of the people, and the timidity of the ministers. An anonymous Glasgow manufacturer, quoted in 'Lord Auckland's Life' (vol. i. p. 516), accused the French of infatuation in admitting the four great English staples, woollen, iron, pottery, and cotton ; and he does not believe that French brandies, wines, cambrics, and millinery will find the market which is expected for them. On the other hand, the hopes of the French negotiators are expressed in a higher tone. Rayneval writes to Barthélemy on the conclusion of the treaty, 'The balance which will result from the treaty is uncertain ; experience

alone will show to which side it leans ; but whatever may happen, we shall at least have acquired the unappreciable advantage of insensibly diminishing the natural hatred which has hitherto separated France and England, of instituting a legitimate for a fraudulent commerce, and of turning the profits of contraband to the advantage of the State. These considerations are more important than the indiscreet clamours which the fraudulent are certain to permit themselves, both in France and England.'

The authorities from which this paper has been drawn are : Ségur-Dupeyron, 'Histoire des Négociations commerciales et maritimes,' vol. iii. ; 'The Life and Letters of Lord Auckland ;' and manuscript papers in the Record Office, and in my possession. The original draft of the Treaty was exhibited when the paper was read.—O. B.