

*Sir F. Bruce to the Earl of Clarendon.—(Received April 1.)*

(Extract.)

*Washington, March 14, 1866.*

THE Bill introduced by Mr. Morrill into the House of Representatives for regulating trade with the British provinces has been thrown out. The amendments introduced into it while under discussion showed that the Committee had proposed a lower scale of duties than the Houses were willing accept. The tone of debate was in favour of protection to every branch of production, and opposed to any special tariff arrangements on the northern frontier.

The failure of this Bill is not to be regretted. The duties imposed on fish and on the principal productions of Canada would not have been considered in the provinces as reasonable when compared with the advantages secured to American interests. The proviso, moreover, which empowered the President to suspend, in whole or in part, these exceptional duties, and to leave the articles to be dealt with under the provisions of the general Tariff, in the event of the provinces not continuing to the Americans the enjoyment of the rights conferred by the Reciprocity Treaty, coupled with the fact that the arrangement, being made by Bill, is capable at any moment of being altered or put an end to, introduced an element of uncertainty which would have operated prejudicially on the commercial interests affected by it.

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