

prevent the injury and loss which may be inflicted upon the citizens of the United States by the sudden withdrawal of their privileges. They are, however (now that the Treaty has come to an end), bound by the Act 59 George III, cap. 38, as well as by the Acts of the Legislatures of New Brunswick and Nova Scotia, which have obtained the Imperial sanction. By those Acts, which were only suspended during the existence of the Treaty, severe penalties, extending to confiscation of their vessels, with the cargoes, tackle, stores, &c., are inflicted upon all persons, not British subjects, who shall be found fishing or to have been fishing or preparing to fish within the distance of three miles of the coast of Her Majesty's possessions in North America.

It becomes the duty of Her Majesty's Government and of the Governments of the respective provinces to enforce the law, and until those Acts are modified or repealed, citizens of the United States will be prohibited from fishing in British waters, from landing on British territory for the purpose of drying their nets and curing their fish, and will be subject to all the penalties which the violation of the law entails.

Under these circumstances, it has been the duty of Lord Monck to issue a Proclamation informing all persons who may be concerned of the state of the law, and warning them of the penalties that they incur by its violation.

Her Majesty's Government are not insensible to the great inconvenience and losses to which the exclusion of American citizens from privileges so long enjoyed by them, and in which capital to a considerable amount has been invested, and labour to a large extent has been employed, must unavoidably subject a great number of persons.

They fear that so long an enjoyment of those privileges may induce those who have been engaged in fishing ventures on the coasts of the British possessions to defy the law and carry on their operations, thus exposing their property to seizure and confiscation. A feeling of irritation may thus be engendered in the North-eastern States of America against the British Government and nation which Her Majesty's Government would deeply regret, and which might lead to serious misunderstandings between the two Governments.

Her Majesty's Government have the satisfaction of feeling that they have done their utmost to prevent these consequences. They have declared their readiness, and they are still prepared, to come to any arrangement with the United States, either by a continuation or a renewal of the Reciprocity Treaty, or by entering into new engagements by which the privileges hitherto enjoyed by American citizens might be still secured to them. The Government of Washington has declined to accede to these proposals.

Her Majesty's Government cannot therefore accept any responsibility for the results which they fear may arise from the termination of the Reciprocity Treaty by the act of the United States' Government themselves—results which they have done their utmost to avoid, and which, if they do occur, Her Majesty's Government will most sincerely deplore.

No. 16.

*Sir F. Bruce to the Earl of Clarendon.—(Received March 28.)*

(Extract.)

*Washington, March 9, 1866.*

YOUR Lordship is aware that a Bill has been introduced into Congress by Mr. Morrill, the Chairman of the Ways and Means Committee, which aims at imposing an exceptional scale of duties on provincial productions, with provisoes making the duration of this scale contingent on the continuance of the privileges accorded by the Reciprocity Treaty to the inhabitants of the United States, and empowering the President, if enjoyment of them is withdrawn, to put an end to the special duties in whole or in part.

There is a strong opposition to this Bill, on the ground, among others, that a power of this kind should not be confided to the Executive, and I think it will probably not pass in its present shape.