

*Sir F. Bruce to the Earl of Clarendon.—(Received December 16.)*

(Extract.)

*Washington, December 4, 1865.*

MR. GALT arrived here from Canada, and passed three days at Washington, for the purpose of ascertaining the course it was best to pursue with reference to the Reciprocity Treaty.

It has been suggested, as this question would be brought before the Committee of Finance in connection with revenue arrangements, that the attempt should be made to obtain resolutions recommending the extension of the period allowed for the determination of the Treaty beyond the month of March, on the ground that the financial arrangements required by the new state of things would not be completed. These resolutions could be passed by a bare majority instead of a two-third vote; and as the subject would not be presented to Congress in a political shape by the Government, this course is thought more likely to be successful.

After mature consultation Mr. Galt and myself agreed that it would be advisable to try the course above suggested, and he will attend at Washington, if requested to do so by the Committee, in order to give explanations tending to prove the expediency of delay before determining the present arrangements.

We further agreed that it would be inexpedient to make any official overture on the Reciprocity Treaty until the experiment of obtaining an extension has been tried, or until there is reason to believe that the United States' Government would profess, in reply, a readiness to negotiate.

The Secretary of the Treasury appears to be hostile to the exemptions from duty secured by the Treaty. He argues that by mutual legislation the requirements of the trade between the United States and the provinces could be met.

Mr. Galt observes, that if time were afforded to carry the Confederation, perhaps it might be effected; but that it was impossible, as long as the provinces had distinct Legislatures, to expect similarity of legislation.

No. 10.

*The Earl of Clarendon to Sir F. Bruce.*

(Extract.)

*Foreign Office, January 13, 1866.*

I HAVE been in communication with the Secretary of State for the Colonial Department on the subject of your despatch of the 4th ultimo, regarding the course which it may be desirable for Her Majesty's Government to pursue in view of the termination of the Reciprocity Treaty of 1854 between this country and the United States.

Mr. Cardwell has expressed an opinion, in which I concur, that it is not advisable that you should be instructed to propose to the Government of the United States the Articles of a fresh Treaty at the present moment; but that it would be desirable that you should take any measures in your power to obtain the continuance for a time of the present Treaty; or, failing in that object, that you should receive, for the consideration of Her Majesty's Government, any proposals which the Government of the United States might wish to make.

I have accordingly to instruct you to take such steps as may appear most expedient to you for procuring a prolongation of the Treaty; and you will communicate with the Government of Canada on this subject, who will doubtless inform you of the nature of any suggestions which the Council appointed by the British North American provinces may submit to Her Majesty's Government in regard to it.

No. 11.

*Sir F. Bruce to the Earl of Clarendon.—(Received February 26.)*

My Lord,

*Washington, February 11, 1866.*

YOUR Lordship is aware that in view of the opposition manifested in this country to the renewal of the Reciprocity Treaty, it was decided that an attempt