

those words having been agreed to by both parties, and having been inserted in a Treaty certified by both Governments.

IV. The respective parties formally engage to consider the decision of the referee, when given, as final and conclusive, whether such decision shall be a positive decision as to the line of boundary intended by the true meaning of the words of Article I of the Treaty of 1846, or whether the said referee, being unable to give such positive decision, shall give as a decision a line of boundary as the nearest approximation to an accurate construction of those words, and as furnishing an equitable solution of the difficulty; and such decision shall, without reserve, be carried into immediate effect by Commissioners to be appointed for the purpose of marking out the line of boundary in accordance with such decision of the referee.

V. It is understood that this Agreement shall not go into operation, or have any effect, until the question of naturalization now pending between the two Governments shall have been satisfactorily settled by Treaty, or by law of Parliament, or by both, unless the two parties shall in the meantime otherwise agree.

Done at London, the 17th of October, 1868.

(Signed)

STANLEY.
REVERDY JOHNSON.

No. 14.

Lord Stanley to Mr. Thornton.

Sir,

Foreign Office, October 21, 1868.

THE United States' Minister called on the 20th instant to discuss with me the question of the "Alabama" claims, and much conversation passed between us on the subject, in the course of which Mr. Reverdy Johnson again put forward the proposal adverted to in Mr. Seward's former despatches, viz., that all the claims on both sides should be referred to the decision of Commissioners, who should be, in equal numbers, British subjects and American citizens, who, if they disagreed, should have power to call in an umpire, and whose decision, with such assistance, shall be final.

I pointed out to Mr. Reverdy Johnson the inapplicability of this method of proceedings as applied to the "Alabama" claims and others of the same class. I expressed my opinion that inasmuch as the question at issue was really the culpability or non-culpability of Her Majesty's Government in regard to the matter complained of, it would be in the highest degree unseemly that a British subject should be called upon to pronounce judgment on the authorities of his own country; nor would the position of the American Commissioners be much better,—for if they decided against the view taken by the United States' Government, they would in fact be condemning the policy maintained by that Government during the last four years.

Moreover, it would be hardly possible to find in either country any individual of sufficient eminence for such a duty who was not in speech or writing already committed to some view on the question; nor could impartiality be reasonably expected in a matter in which the feelings of both countries were so deeply involved.

For these reasons it seemed to me preferable that the arbitrator proposed should be the Sovereign or President of a friendly State. I named especially the President of the Swiss Republic and the King of Prussia.

Mr. Reverdy Johnson said he was not instructed to accede to the proposal I had made, but would telegraph for permission to do so. He did so accordingly before leaving the office, and has promised me an early reply.

In this conversation little was said as to the point on which the former negotiations broke off, viz., the claim made by the United States' Government to raise before the Arbitrator the question of the alleged premature recognition by Her Majesty's Government of the Confederates as belligerents. I stated to Mr. Reverdy Johnson that we could not on this point depart from the position which we had taken up, but I saw no impossibility in so framing the reference as that, by mutual consent, either tacit or express, the difficulty might be avoided.

I am, &c.

(Signed) STANLEY.