

gone into some other discourse upon the same subject which was not sufficiently material for me to repeat it here, the French Minister asked me whether I foresaw any arrangements that His Majesty was likely to be inclined to come to for settling these points to the mutual satisfaction of the two Courts, to which I replied that the most feasible plan appeared to me to be the resuming the negotiation which he had before mentioned. He then gave me to understand that, from its having been found absolutely impracticable to dislodge the British settlers from the district in question, the demand which at that time had been made by France, and which our Court had appeared (as he said before) by no means disinclined to accede to, had been in substance that we should give up to the French (during the fishing season as usual, and for the sole purposes of fishing and drying) the whole coast which stretches from Cape St. John's to the northern point of the island, and from thence running down along the whole western and a part of the southern shore to a point called, in Herman Moll's Map, Cape May, lying in latitude about 48° and longitude about 59° . This arrangement, M. de Vergennes said, would have the peculiar advantage of settling at once the two points in dispute: (1) by giving the French an adequate compensation for the ground they had lost; and (2) by fixing another and precise point of termination, so as to do away entirely all our differences respecting the true situation of Pointe Riche; and upon this head M. de Vergennes and his First Secretary, M. de Rayneval (who was present as usual), said a great deal to prove that the territory they asked for, though infinitely greater in extent than that which they gave up, was in fact barely an equivalent for it, the latter lying opposite to a part of the Great Bank, and abounding likewise in commodious havens and creeks for the various purposes of the fishery.

Having finished what he had to say upon this part of the subject, M. de Vergennes adverted to the Islands of St. Pierre and the Miquelons, the restitution of which, he said, his Court could by no means rest satisfied with, the harbour of St. Pierre being neither sufficiently large nor sufficiently commodious for the purposes of the French fishermen, besides which he could not brook the restrictions laid down by the Treaty of Paris as to the number of troops that might be stationed in garrison in these islands, nor the prohibition from fortifying them. To satisfy France as to these points, he expressed a desire that Great Britain would consent to cede to her (as I understood him in the place of St. Pierre and Miquelon) one or other of those small islands which lie off the eastern coast of Newfoundland, and he specified the Island of Belle Isle (meaning thereby not the Belle Isle which lies off the Esquimaux coast and gives its name to the Strait, but a smaller one of the same name, in latitude about $51^{\circ} 20'$), adding, however, that he would willingly accept of any other island on any other part of the coast which Great Britain might wish to substitute for it, provided that the said island should be ceded entirely to France, and with the enjoyment of every right of sovereignty whatsoever, and that it should contain a port capable of admitting ships of war, so that by means of it the French Commander in those parts might effectually superintend the fishery of this nation. I must add that though M. de Vergennes affected to speak of this matter in loose terms, as if he had not weighed it as yet with much attention, mentioning a variety of islands which he thought might suit both parties, he recurred more than once to this particular Island of Belle Isle in a manner which, I thought, shows evidently that his predilection was founded on a knowledge of its possessing the advantage he was in quest of. As for the rest, he seemed to speak of the condition mentioned above, viz., "that the French should possess this, or whatever other island should be granted to them, in full sovereignty," in the light of a *conditio sine qua non*.

Your Lordship will, of course, understand that these proposals of M. de Vergennes were stated by him merely as loose hints or outlines of possible arrangements, and not as formal offers, as also that on my side, though I entered into as much general conversation upon the subject as I thought necessary to engage him to a disclosure of his sentiments, I told him expressly from the first that I could only take what he might have to say *ad referendum*; and in order that my Report to your Lordship might be as correct as possible, I desired M. de Vergennes' leave to take down upon the spot a short summary of our conversation, which I afterwards delivered to him for his perusal, and he approved entirely of what I had written, and directed M. de Rayneval to take a copy of the paper. The original of it I inclose herewith.

In general, I have only to observe to your Lordship upon the subject of what passed in this Conference that, in the course of it, M. de Vergennes seemed to say that France would expect an exclusive right of fishing and drying on her part of the coast, but he repeated more than once that his Court did not mean to form the most distant pretension to any other rights whatsoever upon the said district, or that the French fishermen should be allowed to remain there either for the purpose of seal catching or any other,